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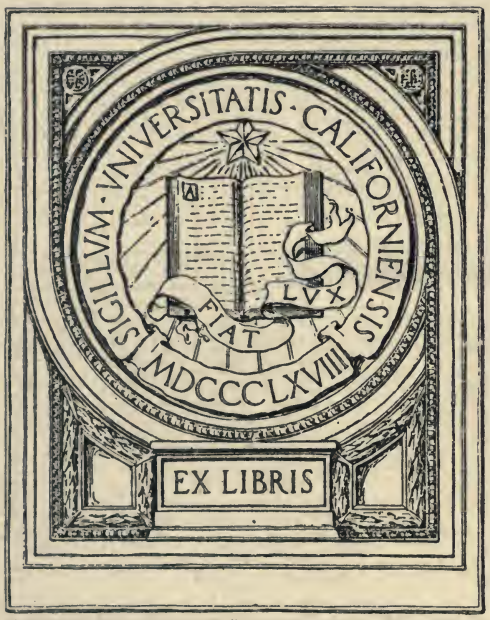
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EXPLANATORY NOTE

The subject of Unemployment has taken the form of two leading aspects among debaters—the establishment of public labor exchanges, and the supplying of municipal, state or national work when normal channels are inadequate to absorb surplus labor. The present volume is designed in particular to serve both of these questions, its emphasis being given to remedial schemes and their negation, while at the same time a full bibliography has been provided and an endeavor has been made also to include articles covering the general subject broadly, for the benefit of the outside reader and student. The brief and selection of articles first arranged in affirmative and negative sequence are designed for the labor exchanges question. Following them is a selection of articles more directly on public work, in affirmative and negative sequence. The general references serve as an introduction and to other schemes. The bibliography on the works question, for condensation, includes all forms of public provision of work, compulsory and voluntary, from wood yards to farm colonies, and from municipal to national undertakings. In the labor exchanges division of the bibliography (A W) and (N W) indicate additional articles on the affirmative and negative of the works remedy.

The statement of the works question is: Resolved, That in times of depression public work should be supplied to the unemployed. General arguments in favor of work are: they preserve self-respect, independence and efficiency, are a test of trustworthiness, prevent family disintegration and suffering, encourage return to employment, are cheaper than charity. Against the works question are the contentions: they are not good business, they undermine self-help, they are often accompanied by offensive cross-examination, they are inappropriate for persons trained in other lines, are costly, they aggravate rather than diminish Unemployment, they interfere with the free play of industry, they weaken resources of the community, they reduce incentives of effort, they do not help the classes they are designed to help, they legalize the right to work.

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BRIEF

Resolved, That a national system of public labor exchanges should be established.

I. The points at issue are:
   A. Is the establishment of a remedy of the nature of national public labor exchanges important?
   B. Is such a remedy desirable?
   C. Is it advisable that a national system be instituted?
   D. Cannot other remedies be made to meet conditions adequately.

Affirmative

I. Public labor exchanges are important, for
   A. The early return of as many of the unemployed as possible to the ranks of normal industry is of primary importance to a wise solution of the problem of Unemployment, for
      1. Anything else can as a rule only mean the burdening of the community or individuals with additional charitable relief or support.
      2. Unless work is found at an early stage there is danger that the unemployed may become unemployable, for
         a. A natural loss of physical efficiency may result.
         b. Moral deterioration or pauperization may result.
         c. The tramp habit may be contracted.
      3. Incontinuous work is often productive of distress and unsettlement, for
         a. The individual is harassed by uncertainty, financial embarrassments, loss of social position, etc.

b. The community is affected by reason of retrenchments, stagnation of trade, etc.

B. A remedy is needed against existing private agencies, for

1. Many abuses have grown up around them, for
   a. They misrepresent or withhold facts in relation to work, either as to character, permanency, or remuneration.
   b. They overcharge, or discriminate in size of fees.
   c. They retain fees without having given the service required.
   d. They are sometimes in collusion with employers or contractors, leading to frequent discharge of men for the sake of new fees.
   e. They send men to distant localities where there are no jobs or send more men than are required.
   f. They exploit immigrants.
   g. They are a moral danger to girls.
2. They are inadequate, for
   a. There is no cooperation between them.
   b. The patronizing of a number of agencies is sometimes required before work is found, a fee being exacted at each, for
      (1) Their lists of situations are limited.
   c. They are often indifferent to the interests of those who patronize them, for
      (1) They have insufficient means of establishing character or fitness of either applicant or employer.
      (2) Their chief interest is the amount of fees earned.
3. Their regulation is proved practically futile, for
   a. Twenty-four states and the District of Columbia have attempted to regulate private agencies and have made a failure.
   b. On November 3, 1914, private agencies were discontinued in the state of Washington by law.

C. Other distributing agencies of labor are inadequate or undesirable, for
   1. Free municipal and state bureaus have, with few exceptions, been characterized as inefficient, unbusinesslike, unable to compete with private agencies, having valueless statistics, constantly on the defensive.
   2. Philanthropic bureaus are usually under the stigma of charity, hence not much patronized by the average self-respecting man.
   3. Newspaper ads are wasteful to the seeker for work, for
      a. The number of applicants for each position is largely in excess of places advertised.
      b. Repeated advertising is required by the applicant.
      c. They are misleading.
   4. Trade unions are of aid only to union workmen of particular trades.
   5. Employers' association agencies have always the menace and danger of a blacklist.

D. An adequate flow of labor to occupations and localities where there is a special shortage is needed, for
   1. There is frequent complaint of the difficulty of getting adequate farm labor in agricultural districts.

E. There are large numbers of unemployed wage-earners seeking new work.
   1. Those who have become unemployed through the closing of seasonal occupations.
   2. Those depending on casual work.
   3. Immigrants, etc.

II. The proposed remedy is desirable, for

A. The organization of our labor market will have a beneficial effect upon industrial conditions, for
   1. It will tend to regulate supply and demand of labor.
   2. It will aid in making employment less casual.

3. It will abolish employment purely local in character.
4. It will effectively regulate, if not eliminate, private agencies through competition.

B. It will benefit the industrial classes, for
1. It will open to the workman all the opportunities for work available not only in his own town but throughout the country.
2. It usually arranges for the transfer of men to jobs.
3. It will remove from the employee the injustice of being compelled to pay, though least able, for a service that benefits all classes in the community.
4. It will remove the physical strain consequent upon the present wasteful methods of seeking employment.
5. It will minimize misfits in industry.
6. It will maintain self-dependence.
7. It will assist in dovetailing casual work.

C. It will be beneficial sociologically, for
1. It will be the best nucleus for collecting accurate labor market statistics, and the diffusion of information relative to the causes, conditions and further relief of industrial conditions.
2. It is necessary as a test of unemployment.
3. It is desirable for drastic treatment of vagrancy, for
   a. In connection with the telegraph, telephone, railway and postoffice it will relieve vagrants from the necessity of going on a tramp.
4. It will indicate the advisability of municipal work and other public aid.
5. It would be a necessary adjunct to a system of unemployment insurance.
6. As a source of information it will facilitate vocational guidance and training of the young.
7. It will help eliminate the padrone system and regulate saloons. (Nat. Munic. R., Ja. '15.)

8. It will aid in distributing the immigrant.
9. It will cause diminution of charges on state and community from pauperism, etc.

D. The practicability and satisfaction derived from public exchanges have been established elsewhere, for
1. In Germany the municipal bureaus organized on a national scale have grown to be considered an indispensable institution.
2. In England a national system is operating, on the whole, successfully.
3. The Wisconsin state system is patronized widely by employers.
4. In France, Switzerland and other countries government subsidies are offered to local exchanges.

III. It is desirable that a national system should be instituted, for

A. It is a proper function of the government to regulate the supply and demand of labor, for
1. It has to do with the economic welfare of the country, for
a. Industrial depressions are intensified whenever large numbers are out of work.
2. It affects the sociological welfare of the country, for
a. Enforced idleness causes wasteful deterioration and loss of useful units of our population.
3. The service sought is a public utility not less than the postal service, weather report service, federal food inspections, etc.
4. It is an interstate problem.

B. Its scope should be larger than the municipality or state alone, for
1. Above half our states are so far unrepresented by public bureaus.
2. There is practically no exchange of information between states where public bureaus now exist.
3. The resources at the disposal of the federal gov-

ernment provide better facilities for it than the resources of the states.

C. It would be expedient, for
   1. It would be in no danger of political control, for
      a. It could be established under the civil service system.
      b. It could be initiated simply by an extension of federal functions over the state and municipal bureaus at present existing.

IV. Other remedies cannot be made adequately to meet conditions, for

A. None have so far been found applicable to all classes of the unemployed, for
   1. Many, through pride, hold aloof from relief measures.
   2. Insurance benefits only those who qualify for it, and is limited in duration.
   3. Most are limited to particular territories.

B. They do not meet the workman's needs as an individual, for
   1. They do not adapt themselves to workmen's varying capacities.
   2. They do not relieve them from uncertainty.

C. Those involving regularization of industry and similar schemes require revolutionized conditions.

D. Those left to individuals and individual organizations depend on the sporadic altruism of others.

NEGATIVE

I. The establishment of public labor exchanges is not important, for

A. The nature of the problem has been misunderstood, for
   1. The number of the needy unemployed is not as large as is indicated, for
      a. Statistics indiscriminately include the unem-

ployable, the sick, shirkers, defective, unskilled, unsteady, etc., and immigrants whom history has shown to have almost certain chances.

b. The people laid off are generally those who are the most able to be idle, the unmarried, girls who live at home, etc.

c. Unemployment caused by abnormal conditions such as war, panic, etc., disappears of itself by reabsorption into normal industry when these crises pass.

d. The unemployed of one day are not the unemployed of another.

2. Unemployment should be dealt with by other means, for

a. The removal of causes at their source is a more effective remedy than palliatives merely, such as labor exchanges.

b. Unemployment cannot be abolished altogether, for

(1) Industry requires a reserve fund of idle labor for its expansion.

c. It is to a large extent simply necessary to keep the unemployed efficient, respected, and within call.

d. Other agencies must still handle the unfit, the untrained, the roving, etc.

e. Vagrancy could not be recruited from the unemployed if the public was not indifferently tolerant to it.

f. Distress incident to unemployment indicates individual or social weaknesses themselves in need of correction, such as improvidence, inefficiency, inadaptability.

3. The community, when affected, is affected by deeper causes than the simple unemployment of a portion of its population. Those remaining employed maintain fair stability.

4. The problem is particularly one of economic adjustment and relief measures.

B. A remedy is not needed for the suppression of private agencies, for
   1. Abuses are not typical, for
      a. Agencies are under individual management, and as such are under moral standards of varying degrees; the best offices do not permit the evils referred to.
   2. The shortcomings are not always preventable, for
      a. They may themselves receive from employers inadequate information with regard to work.
      b. Disappointed men may not report their failure to secure work or favorable terms, for
         (1) They may take it as a reflection against themselves.
   3. There are many untried ways of regulation of private bureaus still open.

C. Other agencies regulating supply and demand give or can be made to give sufficient and satisfactory service.
   1. Existing municipal and state bureaus can be put under larger appropriations and efficient management and thus do greatly extended service as well as demonstrate their efficacy before an extended system is thought of.
   2. Newspapers can publish wider information on the labor market.
   3. Bulletins sent out by the Department of Labor can be posted in post offices throughout the country, as is already being done to a limited extent.
   4. Employers' associations could extend their organisms, and in particular organize themselves by trades, each division be made an effective clearing house for its particular class of work.
   5. Trade unions deal in particular with the efficient worker and the fair minded employer.
   6. The industrial classes themselves, to a very large extent, pass on information concerning situations vacant.

II. It is questionable whether they fulfil expectations, for

A. They would not improve the industrial situation, for
1. They will not increase the number of jobs.

B. They will not particularly benefit the industrial classes, for
1. It is a question whether they do not simply result in the employment of workers by means of registry, when the same workers would have been placed without.
2. They weaken the character of the workers by removing them from the responsibility of organization. This is shown, for
a. Many will not accept work when it is offered.

C. They are a menace to the standard of living, for
1. They attract the inefficient worker and the cheap labor employer.
2. They weaken trade unions, for
a. Applicants who patronize free institutions are of the class that have made little or no effort on their own behalf by joining a trade union.
b. They admit all types of workers having no common understanding as to remuneration and conditions to be sought and obtained.

D. They are simply a multiplication of official machinery without any real use so far as the solution of unemployment is concerned.

E. The system is not unqualifiedly approved elsewhere, particularly in England, Italy, and in the existing public bureaus in the United States.

III. A system of relief on a national scale would not be desirable, for

A. It would be unnecessary, for
1. It is being handled locally effectively by many municipalities and by some states, in particular New York and Wisconsin.

B. It would be paternalistic.

IV. Among remedies that have been proposed and approved by thoughtful students the following would, singly or combined, to an important extent, modify the unemployment situation.

A. Unemployment insurance, for
   1. It would tide over temporary idlenesses, without hardship.

B. Regularization of business, for
   1. It would prevent idleness now resulting from much of the seasonal work, and make work more secure.

C. Public works, for
   1. They would utilize the changing numbers of the unemployed who were not quickly re-absorbed in normal industry.
   2. They would promote undertakings of public benefit.

D. Extension of vocational education and guidance, for
   1. It would replace unskilled with skilled, efficient workers whose labor was in demand.
   2. It would reduce over-supply of workers in crowded occupations.

E. Farm colonies, for
   1. They draw surplus population from congested centers and place it on a self-supporting and wealth producing basis.

F. Reduction of hours of labor, for
   1. This makes room for additional reserves in present industries.

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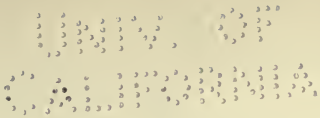

SELECTED ARTICLES ON UNEMPLOYMENT

INTRODUCTION

The problem of Unemployment is listed among the worst and most widespread of our present industrial evils. It is admitted that a large portion of our population is at all times unemployed; but in times of depression or of great crises the number is alarmingly increased.

As we turn back the pages of history, there is occasional proof that this problem was met and handled. For instance, there is a tradition that in the civilization of ancient Peru, where the government was paternalistic and hierarchical, every unit of society was responsible for classes below, and the king and government were responsible for all. Also in the middle ages when feudalism was supreme the system that grew up provided a refuge from want for the dependent masses of the people. But protection was the exception rather than the rule, for since time began there have been human beings who either because of maladjustment to any part of the economic machinery operating their little world, or because of a lack of the machinery's need of the service they could render have been left by the wayside. While it is safe to say that Unemployment has always existed history has not cleared up for us just where the question of Unemployment assumed the proportions of a problem. But problem it always has been, for chronicles throwing light upon the social condition of the masses through the ages indirectly emphasize suffering and distress in their numerous allusions to the poor, to beggars, to agrarian laws and land laws, and to charities and other measures for the relief of people in want.

It is, however, with the modern aspect of the question that we are vitally concerned now. Unemployment may be said to be essentially a problem of today in that the multiplications of

large capitalized establishments and the consequent reduction of independent industrial effort, as well as the artificial, increasingly congested life of the cities, have made the welfare of those without assured means of support depend upon every economic change in the nation, state, municipality, and private business. The working man's bread and butter is at the mercy of the economic shifts. He may be moved up a peg, or he may be sidetracked altogether. Neither skill nor education can absolutely secure him against hazards. For the tests of newfound efficiency in industry often involve factors which training of the past decade has overlooked. The human material that is lopped off is cast unthinkingly aside. Modern industry includes the survival of the fittest among its unwritten doctrines. Changing fashions, casual employment, handicaps, lack of training, the presence of underpaid women and children in industry, bad labor laws, the prevalence of industrial accidents and debilitating conditions of labor are among the causes that account for the general unrest of the working man and the instability of his service.

Although there was undoubtedly much economic distress in the United States prior to 1893, the problem of Unemployment seems first to have come prominently into public notice in that year, when, during the period of severe industrial depression and panic, Coxey's army marched to Washington in a body petitioning for work. Since then, from time to time, there have occurred periods of national distress or threatenings of distress which have resulted in business depression and attendant paralysis of personal effort with its accompanying discontent. The growing seriousness of the problem involves not alone physical distress, however grave such distress may be, but the poignant mental suffering of the classes involved. Growing rebellion against the fetters of the present industrialism is read in the trades union doctrines of collective bargaining, in socialistic principles, and in the exposure of corruption in high places. The working man is clamoring for his rights; for a recognition of the new idea of justice that gives to every human being what he needs rather than what, according to the old conception of justice, he can afford.

In the time of Henry VIII society removed 72,000 destitute people by hanging. There seemed to be nothing else to do with them. Today we have industrial commissions to study ways and means of dealing with the problem of Unemployment.

Further, we have Unemployment and labor legislative conventions, distress committees, municipal committees and charity organizations whose object is to deal intelligently and constructively with the business of relieving the situation. These various means seem inadequate to cope with the overwhelming amount of work to be done. For only consider the hundreds of homeless in the big cities who invade churches, overflow the municipal lodging houses and piers; the insurrection of hundreds of laborers in the West; the menace of Kelly's army; the unique generalship of Pauly with his Hotel de Gink; the driving of thousands from city to city in the far West with clubs, pick handles, fire hose, bayonets, bullets, even tar and feathers; and the decree of Canada for the deportation of out-of-works who had been in the country less than three years!

Clearly the remedial measures for the Unemployment difficulty have not been adequate for the problem. But wise heads are at work devising better methods. Public labor exchanges, where a register of the unemployed is kept and where situations open are listed, have been tried out with satisfactory results. It seems to be the normal, scientific way to bring jobs and workmen together. So it is hoped that not only will Unemployment be greatly reduced but a sound method be operated for getting at and dealing helpfully with the residue of unemployed for whom no jobs exist.

Employment agencies are at present of six general classes: (1) Agencies connected with trade unions; (2) Agencies established by workmen without trade union association; (3) Agencies established by employers; (4) Commercial bureaus; (5) Charitable or philanthropic bureaus; (6) Bureaus established by the municipality or state. The commercial bureaus are the most widespread and important of these classes at the present day and against their shortcomings is directed much present dissatisfaction. The latest and most approved development of the last class is concerned with their federalization under government operation and a central clearing house. It is this subject which is largely emphasized in the present debate on the subject. Schemes of public work, access to the land, etc., deal more generally with relief, with cause and effect, than with the machinery of organization.

JULIA E. JOHNSEN.

September 1, 1915.

GENERAL DISCUSSION ON PUBLIC LABOR EXCHANGES

Review of Reviews. 49: 433-9. April 1914

Our Army of the Unemployed. John A. Kingsbury

America is awakening to a realization of the fact that she has a large standing army of unemployed—an army probably many times larger than the regular army of which the President of the United States is commander-in-chief. For those who march in this army, there is no discrimination as to age, sex, physical, or mental condition. All are eligible. A majority of wage earners enter the ranks more or less frequently. In addition to this regular army of unemployed, which marches about the country in search of seasonal occupations, there are troops of volunteer recruits, which periodically swell its ranks.

The army of the unemployed is unorganized. Its companies are either not commanded or poorly commanded. It has some captains, but no generals. It is well known that a disorganized army—an army without an able commander—is a source not of security, but of danger to a community in which it exists. The United States has quartered in every city, in every industrial community, her regular army of unemployed men, women, and children, who are out of work at some season of the year. At times like the present, when the army is swelled by the addition of those forced into the ranks, there is always a large number of volunteers ready for service—especially about the mess-house. They are the camp followers who capitalize a condition of abnormal unemployment.

The sane men of this country have at last sighted this army. They are beginning to realize that its presence in our midst, disorganized and uncommanded, constitutes one of the greatest social problems which confronts this country today. Statesmen and students, economists and wise business men, labor leaders and social workers everywhere, are demanding that this problem shall be stated clearly, that the facts in relation to it shall be gathered and analyzed, and that the solution for it

must be found. They are insisting that America shall no longer lag behind the rest of the civilized world in this phase of its industrial organization.

In many aspects of industry the United States has caught up and overtaken her sisters across the water; she has studied to her advantage the experience of European countries; she has taken the best which they have to offer and has made it better. But in the matter of dealing with her men and women out of work, she has failed lamentably. With the experience of Germany before her, with England to stimulate her, with little Denmark clearly pointing the way—America has stood deaf, dumb, and blind in the presence of this great social problem.

To be sure, a few of the more intelligent states—Wisconsin, Massachusetts, and Oregon—have made creditable beginnings, not simply in stating the problem, but in finding a solution for it. The larger communities, however—the most wealthy cities, the big industrial centers which command the ablest talent in most every phase of life—are just reaching the stage of awareness that a problem exists.

No one today will dispute the fact that even in prosperous times our present industrial organization maintains a standing army of unemployed. While it is true that the enemy of this army—shortage of labor—exists in some communities, there is no adequate organization to enable the condition of underemployment to absorb the army of the unemployed. During the past winter there has been no end of talk in the United States in relation to Unemployment; no end of guesses as to the extent of it; no end of suggestions as to measures of relief, cure, and prevention—but nobody knows the extent of Unemployment and few seem to understand how to meet the problem

We have to confess that accurate information is not available. There is no roll for the registration of the recruits. That the number of unemployed is abnormal, however, seems to many to be self-evident. Moreover, there are certain data which seem reliable. The Municipal Lodging House in New York City has lodged and fed more men and women during the past winter than in the two preceding winters combined. It is believed that the attendance at municipal lodging houses is a fair index of the extent of Unemployment, though it is impossible to attempt to state an exact ratio. Then we have certain

statistics of the Departments of Labor of the different states and of the nation which seem to be fairly reliable. According to a recent bulletin of the New York State Department of Labor, out of some 600,000 organized wage-earners, over 101,000 persons were idle on September 30, 1913. The bulletin states that with one exception this is the greatest number of unemployed reported in any year during the past seventeen years, and probably larger than during any previous year. The ratio of unemployed, 16.1 per cent, was exceeded in the last seventeen years only in 1908, when it was 22.5 per cent. Applying this percentage to the unorganized wage-earners, it is estimated that the total number of unemployed in New York state on September 30, 1913, was 300,000. Social workers more or less conversant with this problem, have variously estimated the number of unemployed in the city of New York during the past winter at from 100,000 to 325,000.

At the recent national conference on Unemployment, held in New York City, under the auspices of the American Association for Labor Legislation, opinions in reference to the extent of Unemployment were expressed by men and women from all over the country. While the consensus of opinion seemed to be that Unemployment throughout the country is at present abnormal, though perhaps not so abnormal as many would have us believe, no less an authority than Prof. Charles R. Henderson, secretary of the Chicago Commission on Unemployment, stated that as a result of the study of that commission, it was his belief that in Chicago the amount of unemployment was not unusual. Other eminent persons voiced similar opinions with reference to their localities.

There are other indications pointing to an abnormal condition—soup houses have been established in several cities; bread lines have been multiplied; free lodging houses have been opened up; churches have been feeding and sheltering the "alleged unemployed"—in fact, the army has literally invaded, stormed, and taken possession of churches. There has been a cry to throw open the armories and other public buildings. In some instances this cry has been heeded. This indication, however, is not a safe one by which to gauge the extent of Unemployment, for in times when there is talk of an unusual amount of Unemployment there is always a cry to open up armories and churches.

There is a demand for bread lines and soup houses, and the demand is usually supplied. But people familiar with the history of Unemployment, those who have profited by experience in dealing with questions of this kind, know perfectly well that a city can have all the bread lines it is willing to pay for. It usually can fill all the free beds it is willing to provide. Bread lines and free shelters are symptoms of the condition. They are not safe indications of the extent of it. They develop as a natural part of the social problem presented by unemployment, because unemployment is a problem of relief as well as of industry. As a problem of relief it must be handled with the same intelligence and discrimination as must the problem of industry.

To establish bread lines, to throw open churches, to provide "relief works," is usually to invite endless trouble and to do untold harm to the honest unemployed, anxious and willing to work, those who for the first time are obliged to seek relief. Mr. Frederic C. Almy, one of the most prominent social workers in the country, has said, "Relief, like cocaine, relieves pain, but it creates an appetite." Cocaine should be administered only upon the advice of a physician. Similarly, relief should be administered only by experienced hands. There are those who remember that twenty years ago in the panic times, New York City appropriated $1,000,000 for so-called public "relief works," and those who remember it say that the public was "worked" to the extent of almost the entire million.

An English committee on vagrancy, in a report issued in February, 1906, strongly vetoes the indiscriminate distribution of free food. "The effects of indiscriminate alms-giving and of the cheap and free shelters in London and other large towns in attracting vagrants and making easy that way of life," are brought out in this report. "Having regard to the evidence we have received," the committee concludes, "we can come to no other conclusion than that free or cheap shelters, coupled with indiscriminate distribution of free meals, constitute a serious evil. The maintenance of shelters as at present conducted and the free distribution of food to all comers, simply perpetuates the evil conditions and in no way remedies the disease."

The condition existing in San Francisco and other American cities reminds one of conditions growing out of the Mansion House Fund in England in 1885. "There are men still living

in England among the unemployed today who can recall with regret those golden days," says Beveridge, in his recent book on "Unemployment." He tells us: "There are men experienced in observing and dealing with distress, who say that East and South London have scarcely yet recovered from the demoralization of that orgy of relief." England has learned from experience, by which American cities should profit. If San Francisco and other cities which have opened free shelters or provided relief works, had studied New York's experience of twenty years ago and London's experience of the past hundred years, they probably would not have been having the trouble that they have had this winter.

Its appropriation for the free feeding and lodging of the unemployed, advertised as it was throughout the country, undoubtedly gave San Francisco an abnormal problem to deal with. If New York had not withstood the demand to open its armories and to a large degree its churches, its situation surely would have been much more serious. It is also evident to anyone who studies the situation that the establishment of such agencies for the indiscriminate provision of free meals and lodging, constitutes the same danger to the body politic that the human body suffers from a free use of baneful drugs.

The problem of Unemployment with which this country is confronted today is a problem of relief and a problem of industry. When men and women are out of work and out of funds, it goes without saying that they should be provided with one or the other, or a suitable substitute which will prevent suffering without undermining their independence. It would be unnatural and inhuman to let men willing to work suffer for food or for shelter, but food and shelter should be provided with the most careful discrimination. Therefore, relief should come through well-organized channels, directed by people of experience, not through temporary committees under the direction of persons who have only sympathy and sentiment as a guide. For example, in New York City the agencies which naturally should deal with the problem of relief are the Department of Public Charities and the private organizations —such as the New York Association for Improving the Condition of the Poor, the Charity Organization Society, the United Hebrew Charities and the Society of St. Vincent de Paul— the private agencies dealing chiefly with *families* made depend-

ent because of unemployment. The Departmnt of Public Charities, through its municipal lodging house and its other institutions, deals with homeless men and women, who constitute a large part of those requiring relief.

The situation in New York City has at no time this winter been beyond the control of these organized agencies. There has been no need for opening churches nor for the church invasions. The notorious Mr. Tannenbaum says that the municipal lodging house is unfit for a dog to sleep in. A visit to the lodging house would completely refute this charge. The fact is, this municipal lodging house is a well-appointed six-story structure, erected at a cost of $400,000, with accommodations for nearly a thousand men and women. In this institution unfortunates of all nationalities, conditions, and types are harbored.

In the long line of applicants waiting nightly to be registered, one finds here a man old, feeble, and helpless, obviously unfit for any kind of work, depending entirely upon charity; behind him may be a youth strong, eager, capable, but unable to find an employer to make use of his sturdy strength and ready willingness; next to him slouches in line a sluggish, illiterate Slav, unable to speak a word of English; restless at his back there stands an alert young American, who, impelled by an adventurous and ambitious spirit, has come from some country town or smaller city, lured to New York by bigger things to be accomplished, but now he is unable to find anywhere an opening which will give him his chance. So, disappointed and for the moment down, his small store of money gone, he, too, must for the time be the city's guest; and furtively waiting a little further along is to be found the inevitable vagrant, whose only ambition is successfully to dodge anything that has the semblance of manual or mental labor.

In the shorter line at the women's entrance are to be seen the hopeless faces of lonely mothers or forlorn young girls, some perhaps unmarried though carrying little babes; others left penniless by the desertion of their husbands or the death of parents. All these, and many other types, the visitor at the city's lodging house may see. They have been employed at various times in divers occupations.

Out of a total of 46,825 persons sheltered in the Municipal Lodging House during the month of February this year, 5,243

had been employed by contractors, 563 by farmers, 3,945 in restaurants, 431 in hospitals, 1,438 as sailors, 844 as machinists, 1,227 as porters, 619 as clerks, 1,830 as drivers, 1,525 as firemen, 948 as painters, 456 as carpenters, 15,734 as day laborers, 441 as housewives, 766 as domestics, 3,199 as house helpers; 7,141 had been employed in the various capacities classed as miscellaneous, and there were 745 children, mostly babies.

Each night, after these men and women have registered and have given the necessary information, they are served a simple but nourishing meal of soup, bread, and coffee. They then check their "valuables" and their clothes. The latter are hung on racks and are placed in the sterilizing chamber for an hour, where they are subjected to a very high temperature and to the fumes of formaldehyde and ammonia, which counteract each other, leaving the clothes free from a disagreeable odor. Each person is required to enter the shower-room. After his bath he is given a clean nightshirt, is sent upstairs in the elevator, passes before the doctor for a general physical examination, and then, unless he is found to be in need of hospital treatment, is assigned to an individual spring cot, with clean sheets and warm coverings, where he has before him a quiet night of restful slumber in a well-ventilated room. The description of this lodging house hardly justifies the title of the "hog pen," which those who dislike to register and take a bath, but prefer to beg on the streets, are wont to style it.

However, when the Mitchel administration came into power in New York City, on the first of January last, it found that there were each night nearly 2,000 applicants for less than 1,000 beds. While the Department of Public Charities was giving food and shelter of some kind to all who applied, the character of the shelter offered to some was little better than the shelter which one would offer to his dog. The lodging house had been thus overcrowded since the night of November 8, 1913. Men had been packed on the floors of the city's boats, in the waiting-rooms of the Department of Public Charities, and in the detention-pens of the Department of Correction.

To meet the situation, the new administration brought into play five of the city departments. The Department of Docks furnished the recreation pier at the foot of East Twenty-fourth Street; the Department of Charities enclosed it and equipped

it with cots and blankets; the Fire Department heated it with stoves; the Police Department assigned special officers to protect the lodgers from thefts of their meager clothing; and most important of all, the Street Cleaning Department provided work at collecting garbage and shovelling snow. While it was widely advertised that the city had doubled the capacity of its lodging facilities, it was equally well advertised that the city was providing work for the able-bodied men who applied, and that for each meal and each night's lodging the city would exact an hour's work from the able-bodied.

This plan, instead of attracting larger numbers to the city's lodging house, apparently drove many away to places where they could get their food and lodging absolutely free. The total number of lodgings for the fifteen days immediately following the opening of the addition on the Twenty-fourth Street pier was 1,919 less than the total nights' lodgings during the fifteen days preceding. While the number of beds provided at this municipal lodging house is still inadequate to meet the abnormal demand, those who have not had beds have been supplied with nourishing food and with shelter quite as good for this purpose as would be furnished in churches or in armories. Therefore it has not been necessary to provide temporary shelters in New York, although in some cases they have been opened.

No city which has a reasonably well-regulated department of charities, with facilities for the care of homeless men and women, should resort to temporary free shelters and free food, until the regularly organized agencies have proven their inability to cope with the situation.

Every well-regulated municipal lodging house should be prepared to make a thorough examination of every applicant for food and shelter; it should be prepared to examine the applicants physically, mentally, and socially; it should be prepared to send to hospitals, to asylums, to farm colonies, or to workhouses, those physically, mentally, and morally unfit to engage in labor or to hold a job; it should be prepared to provide labor suited to the physical and mental capacity of those who are physically and mentally fit, and so far as possible to provide such labor *before* meals and lodgings are supplied, except in the case of those who are evidently too weak or too tired to do an hour's work.

This means that there should be connected with every free lodging house an industrial plant providing a variety of occupations, and prepared to operate twenty-four hours a day when the demand requires it. It should have in connection with it, or working in close cooperation with it, an employment agency, through which an endeavor should be made to find, if possible, suitable employment for those fitted for it. There should be attached to the free shelter, or in close cooperation with it, a squad of special officers, with police powers, to apprehend mendicants, vagrants, tramps, and criminals who are apt to frequent free shelters not so protected.

This "mendicancy squad" of plain-clothes men should serve not only as a guard against the admission of this class to the lodging house, but as a guard against their admission to the city; it should be at work night and day on the streets; it should apprehend every beggar, not necessarily as a criminal, but it should apprehend him, offer to take him home, if he has a home in the city, or offer to see him out of the city if he has a home elsewhere. When the mendicancy officer reaches the home of the beggar, he should investigate the conditions, or cause them to be investigated, and in cases of families, should seek the cooperation of the private relief societies who care for families, advising the offender to stop his street begging and if need be apply to the private charities or to the Department of Charities. If the beggar is a cripple, or blind, or otherwise disabled, and is homeless, he should be taken to a city home or to some other suitable institution. If the beggar is merely a vagrant or otherwise delinquent, he should be taken before a magistrate, and in case of first offense be warned, and upon a second offense, positively committed to the workhouse.

Such a program of relief as the one outlined above, vigorously enforced, surely would reduce Unemployment to its lowest denomination. Such a program has been in operation in the city of Baltimore during the past year, and Baltimore is said to be the only large city in the country which has been free from the abnormal conditions experienced in other cities during the past winter. It has had no bread lines; it has opened no temporary free lodging houses, where people are invited to partake of free food and free beds without labor.

The problem of Unemployment is a problem of relief as well as a problem of industry, and as a problem of relief it

should be handled intelligently and discriminately. Otherwise it may take a generation for a community to recover from its mistakes. But Unemployment is also one of the most important problems of modern industry and cannot be permanently solved by any relief or other palliative measures. It is a big fundamental problem closely related to other social and economic problems, whose solution involves such measures as the distribution of immigrants, vocational training, vocational guidance, and proper regulating of hours, wages, and conditions of labor.

Moreover, these measures are intricately bound up in the problem of industrial reorganization and readjustment, which will probably require years for substantial realization. They constitute the indirect attack upon the army of unemployed. There are, fortunately, methods of direct attack likewise quite fundamental which have proven their value in foreign countries, and some of which have already taken hold of certain of the more progressive American communities. These methods represent definite constructive measures, aimed primarily at Unemployment itself.

Germany, with her well-organized system of labor exchanges, is bringing the manless job and the jobless man together. Likewise England, with her more recently established chain of labor exchanges, is acquiring a fairly definite knowledge of the number of jobs available; of their nature and their location; of the number of men out of work; of the kind of work that they can perform. Not only is this information published, but England is advancing the transportation of the jobless man to the manless job. Likewise other foreign countries have provided systems of insurance against Unemployment.

Denmark has worked out a very successful system on the contributory basis, the members of the union, the community, and the state contributing to the fund. This plan is now beyond the experimental stage and has been developed according to scientific principles. Similar progress has been made looking toward the regularization of employment in certain so-called seasonal industries. In England, one of the most irregular of occupations, that of the 'longshoreman, has been converted into a fairly regular employment. Some progress in this direction has been made in the United States.

Mr. Louis Brandeis, who has said that irregular employ-

ment is "the worst and most extended of industrial evils," has undertaken the organization of certain industries in Massachusetts, and, it is claimed, has succeeded in practically eliminating the seasonal aspects of the shoe industry in one city. Other more or less successful attempts have been made in New York City and elsewhere to regularize the seasonal occupations.

The method of direct attack, then, involves the three following measures: In the first place, employers of labor should be offered some additional inducement to regularize business, and so do away with seasonal fluctuations. Second, a system of labor exchanges involving the cooperation of a chain of free employment bureaus established in various municipalities and states should be inaugurated. At the same time, the private labor bureaus should be rigidly supervised.

The third step in dealing with this problem, says John B. Andrews, secretary of the American Association for Labor Legislation, "must depend in a large degree upon the ultimate success of the first and second. When employers have done their utmost to smooth out the curve of employment, when workers have been trained to the demands of industry, and when efficient labor exchanges record and announce and direct throughout the nation the ebb and flow of the tide of employable labor, there will still remain for the statesmen of our land the task of developing a just and economical system of insurance for those who, though able and willing to work, are yet unable to find it."

It is not enough, therefore, that America should be awake to the fact that she has a large army of unemployed. She must realize the urgent necessity of meeting the situation and of instituting adjustments that will make it possible for her to muster and make self-sustaining out of this vast unorganized and perilous throng all but those who are genuinely incapacitated for work—these she must care for in suitable institutions in an intelligent and humane manner.

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The Golden Rule in Business. Ida M. Tarbell

War thrusts a sure lance into a nation's weak spots, be that nation neutral or combatant. Hardly had the first sound of the European crash reached us last August when to everybody's lips sprang the horrified comment, "And we without ships!" A peaceful nation unprepared for Peace!

What child's play suddenly seemed the petty politics and selfish greed that had kept us so long unfit to take our place in the world's commerce—we, a nation with a frontage of many hundred miles on each of the two great oceans of the globe! With this overwhelming demonstration of our crippled state before us how simple it was for our quick-witted President to persuade Congress to sweep the interfering rubbish out of the way and open the seas to us!

But closed seas were not the only weakness, the European war disclosed in this country. As quickly we were face to face with a vast out-of-work throng—true it might be short-lived, but again it might not. The worst of it was we had no plan for handling the situation. If it had been necessary we could have promptly raised an army in an orderly, well-thought-out fashion. Individuals, states, the federal government would have known the immediate and logical steps to take. But when it came to the greatest business of peace in the time of calamity—keeping men and women at work—nobody knew what to do, unless to contribute to a soup kitchen.

There were employers without a sense that patriotism as well as policy demanded that their wheels should run; there were communities that looked apathetically on the closing of factories, as if they had no urgent duty in the matter. States, for the most part, were helpless: so was the federal government. Thus it was revealed on the instant that there is in this country no organization for handling labor. It takes care of itself, groping hither and thither as instinct, rumor, hope, greed may call. When the demoralization of panic, disaster, war, comes it is the first to feel the pinch, for industry, like money, is a natural coward. In times of trouble it seeks a hiding place.

Money is learning its lesson. Perhaps this country never saw a more perfect demonstration of the wisdom of keeping

at a hard problem until mastered than it had last August when banks, stock exchanges and clearing houses, falling into line behind the federal government, promptly put into operation the machinery developed in the past few years of bitter fighting for the proper control of money. There were all the elements for a panic in the situation. But there was no panic. Speculation, exploitation, hoarding, all were stopped. There was money ready for every necessary undertaking.

What we need is a similar coöperative organization for handling labor. Men pooh-pooh the idea. They tell us the unemployed have always been with us, and always must be. It is the oldest reason in the world for tolerating injustice and misery. Unemployment is no more necessary than war. It may be as difficult to overcome, but that is another question. It is no more an untouched problem than is putting an end to war. Nor is it a problem which it takes a war to thrust in our faces. We have it with us more or less all the time, though its exact terms no man can tell. Like many things which the world has agreed must always be with us it has been thought best to know as little as possible of the unpleasant truths of the unemployed. Figures are loose and disputed. During the painful agitation in New York City last winter it was claimed that there were 300,000 men and women walking the streets vainly seeking work—but the New York commissioner of labor declared he did not believe there were that many unemployed in the state. Wherever there are certain figures they are large. In Massachusetts the labor organizations keep the state labor bureau informed of the percentage of Unemployment among their members. At the end of last March, 12 per cent of the 173,000 members reporting were idle. William Leiserson, the secretary of the Wisconsin free employment offices, said that last fall in that state there were 250 applicants for every 100 jobs. The Charity Organization Society of Buffalo, New York, declared that there were 10,000 men idle in that town last spring; another agency in touch with the situation doubled the number. In Kansas City at the same time 25 per cent of the union men were reported idle—and so it went all over the country.

But if we use these figures let it be with discrimination: If there really were 300,000 idle in New York City last winter, it does not follow that there were 300,000 fit and willing to work who could not find work. A large percentage always of those

who are numbered with the unemployed do not belong, strictly speaking, in the problem. There are always a considerable number who detest work and who will not stick to it for longer than a few days at a time. There are the old, the unfit, the untrained. These are serious special problems not to be considered here. In New York last winter there was a conspicuous group known popularly as the "I Won't Works." They were there to advertise, at the top of their lungs and by all the ingenious tricks they could devise, what a poor stick industry as we know it now is, and to offer a substitute. It was propaganda, and very effective propaganda, the I. W. W. did last winter for their particular panacea; but they could hardly be numbered among the legitimate unemployed.

Another class of unemployed which should be dropped out of the problem—at least as we are considering it here—are those who have pulled up stakes and are seeking to better themselves. New York always has a large contingent of this kind; the new-come immigrant swells it sometimes to huge proportions. In the year ending June, 1914, over 1,218,000 men, women, and children migrated to this country. That immigrants to the United States have almost sure chances, history has shown. Our absorption of them is the most amazing phenomenon in the transmigration of peoples. Nevertheless, it invariably requires months, if not years, for each one of these newcomers to find the thing that he best can do. The undigested mass—those who have made their plunge and are still struggling and spluttering on the surface without any idea which way to swim—are not included here in the problem.

Those who really do come under the head are those who, having once had a foothold on the labor ladder, find themselves pushed or forced to jump off. When men and women have once been accepted as useful in the labor market, why are they not kept busy? That is a question that scores of employers as well as public men and students of social conditions have been asking themselves for a long time. Their attempts to answer the question have come to a point where if they did not form a program at least they form the planks of one. It is the employer who is going about his business, fired with ideals and ideas, that has touched the bottom of this problem, finding the point both of surest prevention and correction. He has found it in this case—as in almost every other—by throwing

over entirely the business principles and practices upon which he was once acting.

What is the first operation of the old-fashioned employer, face to face with business disturbances and disaster? Why, to take to cover by shutting down. Just as low wages and long hours have been accepted as the surest way of producing at a low cost, so stopping business entirely in dull or disastrous times has been considered the best economy. The old-fashioned employer not only stopped, but he stopped practically without a warning. All over this country in the last year thousands of men and women, living on a moderate weekly wage, have learned on Saturday night that they would not be needed for work on Monday morning.

One of our great railway systems suddenly discharged an unusually large number of men last spring. To most of these practically no warning was given. An investigator of the Department of Labor in one of the states served by this railway tells me that many of the discharged men were requested to leave their shanties before the period for which they had rented them had expired. It would be simple to pile up illustrations of this sort. To the new spirit in industry this policy is not only brutal, it is the worst of economic folly; a proof that a man does not really know his business.

Based as Golden Rule business is, on a belief in a man, it aims at once to train him in the best possible way of doing his task. This man, because of his training, becomes an investment. He cannot be thrown away in a moment of panic. His worth is his protection. This is the theory. How is it applied by those who are accepting it? How is it applied by them in seasonal trade, that is, in those industries where the orders pile up in one month and fall flat in another? I have sought for answers in various quarters, and the completest I have had come from the manager of the Plimpton Press at Norwood, Massachusetts, Mr. Henry P. Kendall.

The Norwood Press publishes school books chiefly. "School book publishers," says Mr. Kendall, "place the bulk of their orders in June, July, and August, with more or less rush work in September. This is due very largely to the fact that school boards make their adoptions for both state, country, and town, in June, for the succeeding school year. The publishers for this reason are unable to anticipate with much accuracy what their

requirements will be until they have received word of the adoptions. Furthermore, there is so much red tape connected with state, county, city, and town accounting that the publishers do not receive their money very promptly: and it ties up a very considerable amount of capital to manufacture books and carry them in stock during the dull period, which is December, January, and February, and hold these books for delivery in the summer, to be sold and paid for very late in the following fall."

Here, then, is a condition quite outside of the industry itself making mischief for hundreds of men and women. The Plimpton Press believes this can and should be corrected by those responsible, and is using every effort, financial and otherwise, to get the publishers dealing with them to anticipate their orders and to make it of financial advantage to them to manufacture as much as possible during the winter or dull months.

Almost every industry has some similar outside condition holding it up in one season, driving it in another to the consequent demoralization of its force. The Clothcraft Shop of Cleveland, Ohio, for instance, finds that an outside condition which hampers it in its efforts to give regular employment is the practice of many mills of holding up the delivery of orders for cloth for two and three months. This works two evils to the maker of clothes: it prevents proper inspection of the cloth, the manufacturer being forced, if he is to catch the market, to make up what he would otherwise reject, and it forces him to close or work on half time in one month, on overtime others. Mr. Richard Feiss, the manager of the Clothcraft Shop, believes that such a situation could be corrected by the clothiers' trade associations. Their great business, he contends, is to standardize trade conditions. To enable enterprising manufacturers to anticipate a season's demand he would have them establish a standard scale of sizes. Mr. Feiss himself has overcome largely the fluctuation in the trade by pushing a line of staple goods. The factory is kept busy on these many days between seasons, when otherwise it would be idle. This, of course, requires close and intelligent study of the market and complete cooperation between the purchasing, the sales, and the manufacturing departments, but this is exactly what one gets in a thorough application of the principle of scientific management such as has been made in the Clothcraft Shop.

At the Plimpton Press Mr. Kendall has proved that regular

work is much more possible if the worker can do more than one thing: which stands to reason. In the dull months he trains every employee, as far as possible, to do at least one, and, if practical, two other kinds of work of equal grade and in departments which are least likely to be congested at the same time. "This will mean," he says, "if there is a congestion of pasting, we can muster girls from goldlaying, sewing or other kinds of work to the pasting department, so that in this department those who might be short of work at that time will get more steady employment and will have a greater variety to their work."

There are two by-products of this effort which are most valuable: one is showing how the monotony of labor can be broken, and how good and inspiriting it is to break it—something the average laborer must learn by experience; the other is the democratization of labor in the shop. There is no place in the world—outside of diplomatic circles and provincial towns—where caste lines are more severely drawn than among the girls in factories and shops. Treat each task as a skilled operation, train the girl to different tasks and the common contempt for certain forms of work will largely disappear. Mr. Kendall tells me there are girls in the clerical department of the Plimpton Press that gladly take a machine in dull times. Sometimes he has had girls give up their tasks to take machines. Nobody despises any task there for the reason that scientific management has made each respect it.

This variety in labor for which Mr. Kendall strives is a variation of what Mr. Henry Ford included in his exciting schemes of improving and regulating the conditions of workingmen in his automobile shop. It will be remembered that Mr. Ford proposed, in case of dull times, to find places on farms for the men laid off. Organized coöperation between manufacturers, farmers, and gardeners is a practical measure capable of absorbing an enormous mass of unemployed. I have seen it practiced by individual workers with success. I have in mind a skilled fur worker who for four to five months of the year earns from four to six dollars a day and nothing the rest of the year. He has a large family. Eight years ago he bought an abandoned farm in Connecticut. All year round that farm gives a comfortable, roomy house to his family, fuel, fresh eggs, milk, vegetables, a horse. The children are growing up strong and

decent. In dull seasons the fur worker himself is slowly restoring his land and always keeping himself fit.

There are many minor devices practiced by enlightened employers to piece out work. When the vacation is recognized as an employee's due, it is adjusted so as to help regularize employment. Piling up standard stocks and putting a plant in order may help a little, but they can do but little. A factory frequently must come to short time. There are many experiments making in handling short time to the best advantage. The ideal way is by thorough cooperation of men and managers. If the conditions that make short time necessary are put frankly to a force there is little danger that they will not come up generously and bravely to the need. It is the stupid practice of keeping the working force utterly in the dark about the shop, its aims, its successes and failures, that prevents cooperation. Short time often is handled admirably by the laborers. Thus, in the bituminous coal fields it frequently happens that when a mine is closed down the men in a neighboring mine will voluntarily divide their work.

It can be laid down, I think, as a fact that no employer operating under the new code lays off an employee without proper notice. When legislatures get around to the point of making this illegal they will find plenty of successful employers to back them up. Mr. Kendall goes further. He thinks it part of his business to aid those whom he has to send away to find other positions. He does this by making it known to competitors and others in the trade that he is glad to supply employees when he can spare them. The employment department of the Press also has tried to work out some kind of a reciprocal plan with Filene's department store in Boston, by which girls could be taken on as shop girls during the holiday rushes, which as a rule are the dull times of the Plimpton Press.

The employment department also arranges that girls who live at home, and are not wholly dependent on what they earn for support, are laid off in preference to girls who are wholly dependent on their own efforts for support, or have others in their family dependent on them. This applies to the men as well. That is, single men are laid off in preference to married men.

Efforts like these of Mr. Kendall may be developed to handle satisfactorily a force of a few hundred; but when it comes to handling the thousands which are thrown into the labor market by the closing of the lumber or the harvesting or ice-cutting

seasons, by the failure of great mills, or even by the sudden bottling up of commerce, as happened last summer, they are utterly inadequate.

Is the employer, then, free of responsibility? He certainly is not under the new code. He now becomes a partner in public efforts, which should begin at home. What are these working people? They are the mass of a town's consumers. Turn them out, and houses empty, shops decline or close—the whole machinery of the place begins to rust. It is to the advantage of a town to cooperate in every way with employers to take care of those laid off. Can't be done? It is done; not by "making work," that is, faking tasks, but by considering what necessary public work the town can afford and by making a contract with the idle to undertake it.

Listen to what the town of Duluth did last winter: Soon after Christmas it found itself with a more than usually large number of unemployed men on hand. They have a commission form of government in Duluth, and the commissioners, being free to do promptly the thing that needed to be done, concluded to test the matter of constructing sewers in the winter instead of in spring and summer, as had always been the practice. The men who were able to do digging were put to work the first of February. Employment was given to all who applied, who were able to do what was considered a day's work. The commissioners were very square with the town, refusing absolutely to take men who were just out of the hospital or those that they found on trial were inefficient. That, they argued, would be charity, and they had no right to assess taxpayers for charity. By the first of June a mile of sewer had been constructed. The work was so satisfactory that it has been decided to continue the sewer construction the coming winter. And how much Duluth has gained! She has kept a body of consumers, kept her houses full, kept her shops going, kept faith with her own sense of responsibility.

It is idle ever to say there is no work to be done. To such as plead this let me call attention to the case of Pauly of Seattle. The story was told by Pauly himself at the Federal Industrial Commission hearing at Seattle last August: I quote the report of one who heard him.

Pauly is an unskilled itinerant laborer. He has worked in lumber camps and on railroad construction. He told of some of his experiences, which he said were typical of what the itinerant

laborer faces as a regular thing. He was sent from Seattle to Montana last year, along with crowds of other workmen, in a single railway coach. He stated they traveled for two days in this coach, without water, and crowded so thick in the car that there were not seats for all, or even opportunity for the men in the aisle to sit down on the floor. When they arrived at their destination, he said, he found 400 hungry men along the right-of-way of the railroad, with no provision for their comfort and no work for them to do. Later he was taken, along with others, to a point some distance away and offered work where a strike was in progress. In order to get the bare necessities of life, he was obliged to go to work at this place.

Last winter, when Unemployment was at its worst in Seattle, Pauly organized the unemployed into "The Itinerants' Labor Union" or "The Hoboes' Union of America." He secured an old hospital building, for which the Central Labor Council agreed to pay the rent, and opened it up as a lodging house for the unemployed. The scheme was ridiculed and the building facetiously dubbed "The Hotel de Gink." Pauly was determined, however, in spite of opposition, that he would find a way of tiding these men over. He advertised for work. He sent squads of men out to clean up vacant lots. For others he got work at the commission houses, where they sorted potatoes and took in payment "seconds," which the men carried back to their lodgings. He sent out also squads of men to clean up the butcher shops and markets, whenever he found opportunity, and took the second cuts of meat in payment.

In the same way he got the bakeries to supply him with stale bread. Where an old building was being torn down, he got an opportunity to cart off the lumber that was not usable; in this way he supplied the house with fuel during the winter. As soon as it was possible he began to get contracts for clearing stump land. People said that the unemployed did not want work. Pauly sent a gang of men out to clear some land who worked more than a month in the rainy season absolutely without shelter. Pauly would not admit to the place any man who was unwilling to work, and yet in Seattle he cared for more than two thousand men during the winter. There were hold-ups around Seattle, and it was supposed that Pauly's men were implicated, whereupon Pauly showed that his men must be in the house at 10.30, and his books always showed whether they were or not. To

make doubly sure, he called in the police without warning, and had them "frisk" every lodger in the building. Not as much as a penknife was found that did not belong there. Pauly had visions now of getting his men permanently onto the land. He hopes to get a contract for clearing land, where plots of land may be taken in payment. "That's the thing that will settle this employment question," says Pauly, "and settle it for all time."

A quick turn in handling Unemployment was made last September in New York City by the women at the head of what is known as the Vacation Committee, an organization which endeavors to meet various needs of working women. It illustrates admirably what organizations of all sorts might do to take care of a sudden influx of unemployed. The war threw many women, particularly stenographers, clerks, saleswomen, out of positions. As soon as the Vacation Committee saw the situation it decided to open a free employment bureau. It did not stop to consider how to organize; it simply opened the office; sent letters broadcast among the employers that the Committee was going to do what it could to place the women who came to it, and asked cooperation. In the first week it placed 50 out of 150 applicants.

But the sight of so many applicants whom they could not place was too much for the Committee. "Let us give them work," somebody said. "Why not set them to making garments for the wounded soldiers, paying them 50 cents a day until we can find places for them?" This was done almost as quickly as thought of. The girls belonging to the Association who were at work, rallied valiantly to the enterprise, and in their first meeting, after the idea was launched, subscribed $36 toward the new undertaking.

In other quarters there was encouragement. When I visited the scene of the activities two weeks after they were inaugurated I found the leaders choosing Canton flannel, of which a manufacturer had just promised them a thousand yards, while in the ante-room was a man of large wealth, who had come in to offer his time and his money!

But the problem of Unemployment, particularly as it stands now, is frequently too great to be handled by the most enlightened employers cooperating with the most willing town. The only agency to which the employers can turn, with any confidence that those he is discharging will be rapidly placed, is the new Free Public Employment Bureau, which is coming into existence.

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The Drifters: Unemployment Problem of the Southwest.

Leon Stern

Eight relief organizations in Texas, six in lower California, one each in Oklahoma, Arizona, Louisiana, and Arkansas, together with settlement houses in eight cities, comprise the list of active social agencies in the Southwest. From Arkansas below the color line and from the Mississippi west to the Pacific Ocean these represent the few isolated groups of thoughtful people who are trying to cope with problems which are a by-product of the development and colonization of this region.

In this stretch of country there are not, as in the East, those strings of towns and well-populated rural areas connecting big cities and acting as conductors of social consciousness. Agricultural districts are not conscious of the need for cooperation with each other, and their local problems being few they have no local agencies which might serve as connecting links, while problems coming from the outside are considered foreign and are readily shifted. In Texas, for instance, nineteen towns, which could do excellent work as cooperating centers, are without any medium for "confidential exchange."

A big common problem throughout this area is the drifter. As in the old days in the East, he is "passed on." But unlike the drifter in the East, he is often a worker, and is passed on because there is the feeling that in this country of abounding prosperity there is a chance for everyone, and he, too, will find his opportunity perhaps in the next town.

The vagrant and the hobo are more seldom seen than in the East, except in Texas—an oasis in a "dry" desert where occasionally they come to spend for drink money obtained elsewhere. New Orleans also is choice camping ground for the tramp. ranking second to New York; it was there that the hoboes' national convention was held this year. In the West as in the East this class show great ingenuity in their methods of "getting around" the benevolent public. Witness one of the fraternity who, beating his way back East, recited a tale of many wanderings, arousing the compassion of the kind-hearted by spreading open his mouth with thumb and forefinger to show empty gums

which, he said, had once held gold teeth that he pawned to get from California to Houston.

The characteristic drifter of the Southwest, however, is the work-seeker, who is either an agricultural laborer, or a sick man searching for light work. During a good crop season, agricultural laborers in Oklahoma "ride the rods" from crop to crop, from county to county.

Sometimes in bad seasons they cover in this way more than two hundred miles. In eastern Oklahoma I met agricultural laborers who knew all the towns in that part of the state, and others who had been in every big town within a swing of 300 miles in and out of the state. Occasionally, not being able to work the swing back, one finds himself far from home and moneyless, and drifts to the nearest main-line railroad town to work for his fare home.

Sometimes a man drifts from state to state. At Wister, Okla., I met a man who had worked his way from the apple country in Arkansas to the apple ranches in northern California, and was then making a return trip. In times of wide-extended drought, or at seasons' ends, the agricultural drifters' problems become very serious. Among these working wanderers there is a shiftless group that cares to work only intermittently, often earning less than enough for keep.

In Arkansas they usually drift in families and are known as "travelers." At night they camp in the timber, using the fence rails for fire-wood, and their children beg milk and bread. A few have money and shrewdly sell bits of property which they buy while "traveling." In Oklahoma they are called "tent-farmers," paying the Indians for the right to settle temporarily. They plant quick crops on their lands, and set up a tent to live in.

The immigrant agricultural laborer constitutes a special problem, for he will not remain long at any work which is not among his own people, though their settlements are long distances apart. The two most prosperous Italian agricultural colonies, for instance, are more than five hundred miles apart, one near New Orleans, and the other near Bryan, Texas. Of Lithuanian agricultural colonies, one is at Stuttgart, Ark., and the other at Dobbin, near Houston, Texas.

No small proportion of these drifting agricultural workers have been attracted from the middle West and the East by the widespread advertisements of the fertility of the soil by rail-

roads and commercial clubs. Some railroads plant specimen crops along their lines to show what the land through which they pass has to offer. Such expedients though meant to attract the colonist who can invest, also draws laborers, immigrants among them, who have nothing but their work to offer.

The problem of the industrial worker who follows in the wake of new development whether it be a new discovery of oil in eastern Oklahoma, or the establishment of an industry in Texas, is oftener than with the agricultural laborer one of maladjustment since he usually comes from a mill town to a country whose industries are the outgrowth of its agriculture.

The chief industrial centers of the Southwest lie between Little Rock and San Antonio, some twelve cities in all, besides the railroad-shop towns. San Antonio has an abundant labor supply made up of Mexicans and tubercular persons in the first stages; Galveston and New Orleans have nothing to offer but longshore-work. New Orleans, which is outside of this industrial strip, has only longshore-work. Except for these twelve centers the country is an industrial desert, reaching to Los Angeles in one direction, in others to Kansas City, Denver or St. Louis. Dallas, with a population of 92,104, is its center and within a hundred mile radius of that town is 40 per cent of the population of Texas and 35 per cent of the entire real property in the state.

Drawing three circles about Dallas with radii of 200, 300, and 600 miles, the small industrial and railroad shop towns of which none except Fort Worth approaches Dallas in population or output, will be found in the first circle; the industrial towns approaching Dallas in importance and size are within the second circle and are situated far apart at the cardinal points of the compass; and at the outer edge of the third circle which extends beyond the borders of the Southwest are the big industrial cities of the middle West. A search for work in this territory follows a zigzag route stretching over as great a distance as from Oklahoma to Lake Michigan.

Such a search for work is usually made without guide other than the legends of prosperity or the conjectures of fellow work-seekers. Some friend or relative has gone before or the drifter has simply sifted mentally the various opportunities and makes up his mind that a particular city will prove his El Dorado. He enters the country via Chicago-Kansas City, St. Louis-Kansas

City or comes direct from the East by way of St. Louis. Some few come direct from New York in the steerage of the coast lines via Galveston and New Orleans. None that I met came through Memphis. Their goals are usually Dallas, Fort Worth, Houston, or Los Angeles, but reality is colder than the glowing promises of the boomer.

Pamphlets, booklets, signs and slogans of the boom cities attract the eye of the colonist. Every city lights a cresset for the man within seeing distance and calls to the man within earshot. Des Moines in the North advertises itself "your opportunity" in a corner of the Saturday Evening Post; Houston in the Southwest is not content with so little space. Galveston says of itself that it is the "Treasure Island, growing greater, grander every day." Little Orange on the Sabine River greets the traveler with a sign-board at the station which declares that it is the "Gateway to Texas." A pocket map giving the population of Tulsa, Okla., as 18,182 in 1910, bears on the cover the advertisement of its commercial club, and naïvely gives itself away by stating that in December, 1909, Tulsa, "the industrial city," had a population of 24,000. In only exceptional cases, does such literature—that of the Chamber of Commerce of Amarillo, Texas, tell conservatively what the town has to offer. The Texas Commercial clubs have banded together and advertise their boomlets through "Texas commercial secretaries." Dallas is about to build a million dollar railroad terminal; Houston is to have a ship-channel to the sea; Port Arthur, so small that a street-car line struggled hard for success, has commerce with New York and Europe.

Railroad advertising is equally well developed. The Sunset Magazine is published by the Southern Pacific. In the free libraries of the East, as well as Southwest, are to be found books published by the railroads, which describe the land. As already noted, all this advertising is meant for the colonist with funds, rather than for the work-seeker, but the bait draws numbers of this class, who come without funds, and who often fill no definite need.

The types of industrial labor attracted to the Southwest are of the following classes: railroad-shop workers, factory hands, journeymen mechanics, casual laborers, and immigrants. Of these the railroad-shop worker is the best established, since his work does not depend upon the success of crops. He may travel

on account of increase or reduction of a working force, the establishment of a new shop, or a strike. Since most of the railroad shops are about Dallas and Fort Worth, the railroad-shop worker often drifts to these cities. At Fort Worth, I met a man who had started in at the Kansas City shops, had gone from there to those in St. Louis, had returned to Kansas City, then gone to Parsons, Kansas, Fort Smith, and the Muskogee shops. Later he came back to Fort Smith, and when I met him, he was on the way to the shops at Palestine, Texas.

When a worker in a railroad-shop loses his job he usually leaves town together with a number of his fellows, since there is nothing else he can do there. Alternative industries like machine shops and steel works are rare in the Southwest.

The newly arrived immigrant railroad-shop worker can seldom find employment except where people of his nationality work so that he can be made to understand orders. At the Muskogee, Okla., shops, for example Jewish immigrants will not be employed, but the reverse is true at Cleburne, Texas, where experienced workers of the same race can speak English and interpret orders in Yiddish.

The drifting factory hand is a perplexing problem. The case of the bonaz operator is typical. He came by boat from New York to Houston confidently expecting to find work there and at better wages than in New York. To his consternation he found that his work was unknown and he had to turn to casual labor. Cloak and suit and clothing operators come from the East only to discover that the only clothing industry of the Southwest is overall-making which the employment of Mexicans has made a sweated industry at San Antonio and elsewhere. These immigrants, Jews and others, usually drift back from community to community, to the middle West and East.

The journeyman tailor, painter, or mechanic, is hampered not only because he is a seasonal worker, but also because his season is irregularly and indefinitely hastened or delayed by the direct dependence of business upon the crops. Just as the agricultural laborer seeks another part of the state during a dry spell, so does the journeyman mechanic leave an urban center which has had a slump because of the crop. In a period of delayed cotton crop, I met a painter in Texarkana who had left Fort Worth for Shreveport during a railroad excursion. There he had found work, but when work grew slack in Shreveport, he went on to

Texarkana, where, since nothing better offered, he took work in a casket factory. He was preparing to return to Fort Worth since he had heard of rains in the cotton country. Like other artisans he felt that he must remain within the ranks of his trade. A like case is that of a drifting tailor, in an Oklahoma town, who when offered work at "altering and repairing" refused it, preferring to hold out on scanty funds until he could secure "new work."

Negro casual labor, since it is abundant and cheaper, crowds out white casual labor in the Southwest and further limits its field because of the sentiment against whites and Negroes working together. So limited are the white casual laborer's opportunities in the Southwest that a group of longshoremen who were out of work in Galveston had to take the choice between construction work offered on the El Paso and southwestern railroads 1000 miles west and work offered at Key West 1000 miles east.

The lignite mines and cement fields in Texas and the lumber operations in Louisiana regularly advertise for men in many newspapers. Two carpenters, attracted by the advertisements of a car-repair shop, stating that good carpenters could bring their tools and go to work at any time, worked their way over an intervening 400 miles but only one of them secured work. I have seen this car-repair shop advertise in papers as far east as Pittsburgh.

Again a Texas bristle factory advertised for bristle sorters, steady work. The group of workers that responded came from Chicago. In three months they were told there was no more work in that factory, which was the only one of the kind in Texas. One of the men heard from some one that his work was to be found at Houston. He traveled the 300 miles only to discover that the factory in that city was a hair factory. Whether the manufacturer acted in good faith is not the question; the maladjustment resulting when strange workmen are brought into a region, the better man to be kept permanently and the poorer temporarily employed is the social problem in this situation. It is aggravated by a further commercial phase of transportation methods.

The continuous drift makes a well-blazed road, cheap excursions, mapping the route, and—this is the point which should be marked and weighed—making it cheaper for the drifter to pene-

trate into the country than to leave. The man who has tried the Texas and Oklahoma cities without success goes to Los Angeles, while the man who has had enough of the Southwest returns, not to St. Louis, as might be presumed, but to Kansas City. The drifter, covering the more expensive journey back without funds is most likely to become a social problem. For men traveling for industrial opportunities, disinterested advice and guidance is rare. In a few cities Charity Organization Societies may offer such advice but it is much less alluring than the glowing promises of the boomer and less apt to be followed on that account.

The following advertisement from an eastern newspaper is in point:

FREE SHIPMENT TO THE FAR WEST. 500 men for railroad work—foreigners preferred. Call for information at once. International Emp., 419 Fourth ave., city.

Sometimes immigrants, Jews and Italians, and occasionally Greeks, go about the country peddling or working with a "weather eye" open for a location for a small store or shop in a little town. One shoemaker, who started in his search from San Antonio, after a year's wandering, with occasional dependence on charity, finally established himself in Louisiana at Shreveport, where he has the most successful shoe-repair shop in the west end of the town. Peddling bananas to the ranchers, which in itself is profitable, is often a means of support during a search for such openings.

In the tourist section of the Southwest, at El Paso, San Antonio, Phoenix, Los Angeles, and other points, the problem of the sick drifter looking for light work overshadows all other social conditions. His trail crosses at right angles the north and south course of the other work-seekers. Hot Springs and other Arkansas towns are the Mecca of the rheumatic, syphilitic, and debilitated.

West of San Antonio travel the tubercular, with a branch trail from Colorado. The tubercular drifter is limited by his illness to light work, and to the dry regions where work is scarce. His lot is especially hard. A man far advanced in the disease came to Galveston, having turned aside from his route to Douglas because he had somehow heard that in Galveston he could regain his health. At the hospital the physicians warned him that he was imperilling his life, so long as he remained in Galveston,

whereupon a benevolent citizen secured him transportation to El Paso. Half-sick men in search of health are eager to follow every suggestion; therefore, Silver City, New Mexico, in its magazine advertising, describing its salubrious climate and offering in proof the building of a government tuberculosis sanatorium there, brings a trail of drifters to its doors.

The foregoing gives some idea of the extent of the problems of the drifter. Along what lines does the solution lie? A pin map of the societies in the United States signing the transportation agreement in 1910, reveals a bulking of signers east of the Mississippi, with outposts removed some distance from the main body, in the Texas towns. This is an agreement not to "pass along" applicant for aid to the next city as the easy way out, but to correspond with responsible agencies as points of origin and destination. Between the Texas towns and those of the Pacific coast there is a hiatus, except for El Paso and Phoenix. Of the 106 cities signing the agreement there were only nineteen in the Southwest. According to the directory of Charity Organization Societies, there were in December, 1912, 254 organizations in the United States, with only fifteen in the Southwest; of these fifteen all are signers of the transportation agreement, and seven are united with the other organizations in the United States in the American Association of Societies for Organizing Charity. This reveals the unity of method which might be possible in a handling of the drift problem.

The health resort towns have long been conscious of the problem of the sick drifter, but only recently have the commercial cities, notably Dallas, Fort Worth, Waco, Houston, become alive to their kindred problem of the drifting workman. In Dallas a joint employment bureau has been debated; and an industrial agency was at one time considered in Fort Worth, but these would not offer solutions, since the problem is not local nor is it one of dealing with vagrants or homeless men alone. Nothing can be done until the many small towns which connect the great distances are joined with the big cities in a cooperative union.

Sectional organizations, centered about Dallas, Fort Worth, Houston, Galveston, San Antonio, El Paso, Los Angeles, Oklahoma City, and other points where the problem is focussed, would be the best form of union. A state organization, which has been suggested, might also be good, since it would fix responsibility, but in as large a state as Texas such an organization would be

loose; at El Paso or other such points it would be necessary to cross the state line for organization. Centering the organization about big cities, which are the most seriously affected, would make them responsible for the rallying of small towns about them, and for the maintenance of contracts such as transportation agreements. Sectional organizations, with the counties as small units, would help keep the circle of active cooperation within the smaller towns which do not realize the weight of the problem. The English shire associations might offer suggestions for the scheme, but could not serve as models since they are organized largely for the suppression of mendicancy and vagrancy.

In those cities where the Charity Organization Societies are doing effective work, these organizations could be built around them, and since the population in the Southwest is too thin to support such societies in the small towns, corresponding committees in those small towns might be built up.

Bureaus of advice and information, counteracting the zeal of the boomer, and the promiscuous solicitation through general advertising, are needed for the proper direction of work-seekers and the turning back of the vagrant and the work-shy. They are needed none the less for the real work-seeker who drifts over great distances and becomes maladjusted as to where he can and where he cannot find work. These bureaus should therefore be sources of accurate information concerning local conditions and needs, and should spread their knowledge through like offices in other cities. Of course, when this information consists of definite requests for workers, this exchange, in order to prevent abuse, would be confidential.

England and Germany have devised a way-ticket system issued by the police. An English committee on vagrancy has recommended that its use be extended to bona fide work-seekers with way-tickets "issued by charity organization societies and, in the case of organized workers, by their trade unions, without reference to the police, and the less reputable class of wayfarers alone might be required to apply to the local police office." The purpose of this ticket is to indorse or black-list the movements of the drifter, according to his record, to register his destination, and to help him in the direction of work, thus making him least likely to become a public charge. But unless it possesses greater elasticity than seems possible, this scheme could not be success-

fully applied in a country with the free and hearty spirit of the Southwest.

From this continental experience, however, might evolve a plan whereby the work-shy would be eliminated and the work-seeking colonist be helped to establish himself so that he might share in the prosperity of the great Southwest.

Survey. 33: 217-8. November 28, 1914

A Chicago Plan for Meeting Unemployment and Destitution

A program for relieving and in part heading off Unemployment and general distress in Chicago during the coming winter has been drafted by Eugene T. Lies, general superintendent of the United Charities of Chicago.

It has been submitted to James H. Lawley, chairman of the Chicago Municipal Markets Commission, which has under consideration a resolution of the City Council calling for an inquiry into Unemployment and destitution.

Under two major headings, philanthropic measures and unemployment measures, the program gives in concise form some of the more important conclusions unanimously arrived at in a conference of executives of general charitable societies recently held in New York City. It has been put in the hands of every Charity Organization Society and Associated Charities in the United States.

The program is as follows:

1. Philanthropic Measures

A. Discourage such things as soup kitchens and bread lines for the unemployed, since they are mass methods, as a rule undiscriminating, and do more harm than good.

B. Discourage the creation of new charitable machinery to fill a temporary need. Hence let the City Council avoid appropriating a large fund for charitable purposes this winter. Since the very announcement of such an appropriation would very likely defeat its purpose, for it would bring hordes of applicants from every direction outside of Chicago and many people in the city who are not in genuine need would also be tempted to try their luck at getting a share of the money. In other words, it would mean a congestion of applicants, a large force to handle

them, and undiscriminating treatment. Furthermore, it would be exceedingly difficult to keep politics out of the scheme.

Rather, encourage existing public and private agencies to expand and strengthen their machinery if necessary. Let the county board put larger means at the disposal of the county agent, and let the general public give adequately in funds and volunteer, personal service to the private organizations that have proved their efficiency and reliability through the years and that are necessary to supplement the work of the county, doing these many things both in the way of material relief and personal service called for by the limitations in public official charity departments. Furthermore, public appropriations out of the tax funds to subsidize private societies would be unwise.

C. Let the private charities take pains to avoid one of the mistakes often made in the past, here and elsewhere, of advertising that they are about to raise large funds to take care of the unemployed for the same reasons as stated with reference to the announcement of large public appropriations.

D. Adequate preparation should be made to take care of such homeless men as may properly claim Chicago as their residence. This may mean planning to enlarge the Municipal Lodging House facilities both as to sleeping quarters and food. It also means proper equipment of men with training in social work to deal fittingly with each applicant according to his peculiar needs, physical, mental, moral, and economic.

By all means a work test should be applied. This can be in the form of labor on the streets or odd jobs in public institutions so many hours a day for so many days' accommodation at the Municipal Lodging House. Such adequate facilities to care for this class means suppression of beggary all over the city, prevention of clogging of the machinery of private agencies, which have all they can do to look after resident poor families, and prevention of depredations of all kinds by men grown desperate on account of their condition.

E. Let the churches, the smaller relief societies, and the specialized charities throughout the city continue to function in their usual way with the unfortunates who properly are their charges rather than deliberately dump them upon the general relief agencies, as they are tempted to do in an emergency like the present. Let each continue to do its proper part of the task confronting us all and the task will be properly done.

2. Unemployment Measures.

A. Bring home to all private employers of labor their patriotic and humane duty to keep on the pay-roll all their workers as long as possible into the winter season, or if they must curtail, then to put all or most of the men on part time, giving them at least a subsistence income for themselves and families. If some men must actually be cut off from the pay-roll, employers could in many instances provide sufficient relief to the genuinely needy ones among them. Furthermore, some employers might find it possible at this time to make some much needed improvements in or about their plants such as painting, cleaning, repairing, clearing and beautifying grounds, thus absorbing some of their men who otherwise would be idle. All such measures will mean the conserving of efficiency and physical well being of employes for the time of returning prosperity.

B. Study existing public employment agencies to see if they are functioning efficiently at a time like this and if found not to be, see if they can be strengthened. If for any reason, this is impossible, then establish on a basis that is in accord with the best expert opinion available a supplementary public agency that will be capable of doing this work of bringing as many men as possible who are out of employment in touch with whatever jobs are actually available, whether in the city or outside of it. The Wisconsin system suggests the method.

C. Encourage the women citizens of Chicago who are householders to undertake at this time as much cleaning, whitewashing, and improvement of yards and lawns as possible, and call upon the charity offices, state employment offices and the Municipal Lodging House for men to do the odd jobs. Many men could be tided over short periods in this way.

D. Let the public departments arrange as far as is possible to continue work now in progress to a more distant date than is usually done, rather than merely follow precedent as to the time of cessation of such work. This will mean continuing hundreds of men on an independent footing, conserving manhood, and keep them away possibly altogether from charity offices.

E. Let public departments begin now on needed public works or improvements in order to absorb some of the unemployed, rather than postponing them to a future date. The precautions necessary are these:

1. Be sure that these public works are of a sort that will be of permanent value to the community.

2. Let the work be for citizens of Chicago primarily and advertise this fact widely and emphatically or men will flock in from all points of the compass again and so clog the machinery as to cause defeat of the very purpose for which the emergency work is being undertaken.

3. Let the pay of the men be at standard rates for the various kinds of work done.

4. Let ability of the man to do the job available be the first consideration in employing him,—not his need of an income. This can be the second consideration. If two men of equal ability are applying for a specified job, then, of course, take the Chicago man who has a family dependent upon him.

Nineteenth Century. 64: 763-76. November, 1908

How Switzerland Deals with Her Unemployed. Edith Sellers

The Swiss are an eminently frugal people: everything that smacks of waste is in their eyes the veriest anathema; and it is to them a source of real satisfaction that no other people on the face of the earth can make a penny go quite so far as they can. And they are as practical as they are frugal: when they have a difficult problem to solve, instead of wasting time lamenting that it should be there to be solved, they straightway set to work, in a common-sense fashion, to consider how the solving can best be done. They have other good qualities, too, of course; still, it was because they are frugal and practical, rather than because they are humane or anything else, that they first began grappling with Unemployment as a subject of vital importance, not only to the unemployed themselves, but to the whole community.

It was realised clearly in Switzerland, already many long years ago, that a working man who is unemployed is, if left to himself, prone to become unemployable. He takes to the road in search of work, and on the road drink is cheaper than food, besides being more easily procured. A glass of schnapps is more comforting, too, than a hunch of bread, when one is down on one's luck and may have to sleep in a ditch. Nor is drink the only danger. It is the easiest thing in life to drift

into loafing ways: they are few and far between, indeed, who can, for very long at a time, tramp up and down, day in, day out, looking vainly for work, without losing the desire to find it.

It was realised also and equally clearly, many long years ago, that for the community to allow any one of its members, who could be kept employable, to become unemployable, is sheer wasteful folly, if for no other reason than because, when once he is unemployable, the community must support him—must support his children, too, if he has any. Although Switzerland differs from England in that no one there may claim relief as a right, a self-respecting community cannot anywhere, in this our day, leave even the most worthless of its members to die of starvation. Besides, even if it could, such a proceeding would be fraught with difficulties, especially in a country where, as in Switzerland, the government is democratic. For although there are undoubtedly both men and women capable of starving—some of them actually do starve—without disturbing their neighbours by unseemly wails, they form but a small minority of any population; and with the vast majority it is quite otherwise. The vast majority it is practically impossible to leave to starve, because of the uproar they would make while starving. For them the community must provide board together with lodging, if they cannot provide it for themselves; and they cannot, if they are unemployable. It behooves the community, therefore, as a mere matter of self-interest—so, at least, it is argued in Switzerland—to do everything that can be done to prevent their being unemployed, lest they become unemployable.

This is a point on which all cantons alike hold decided views. Throughout the country, indeed, there is a strong feeling that any man who is out of work must be helped to find work; and this not so much for his own sake, as for the sake of the whole community—to guard against his being a cause of expense to it, instead of being, as he ought to be, a source of income. There is, however, an equally strong feeling that, when the work is found, the man must, if necessary, for his own sake as well as the sake of the community, be made to do it; to do it well, too. Practically everywhere in Switzerland, while it is held to be the duty of the authorities to stand by the genuine work-seeker and help him, it is held to be their duty also to mete out punishment to the work-shirker, and force him to earn his daily bread before he eats it. No toleration is shown to the loafer,

for he is regarded as one who wishes to prey on his fellows, and take money out of the common purse while putting none into it. On the other hand, what can be done is done, and gladly, to guard decent men from all danger of becoming loafers through mischance, or misfortune.

In England a man may deliberately throw up one job, and, without ever making an effort to find another, remain for months in the ranks of the unemployed, steadily deteriorating all the time into an unemployable. Meanwhile, no one has the right to say him yea, or nay, unless he applies for poor relief. In Switzerland, however, it is otherwise. There is no resorting to workhouses as to hotels there; no wandering round the countryside extorting alms while pretending to look for work. For begging is a crime and so is vagrancy; and in some cantons the police receive a special fee for every beggar or vagrant they arrest. If a man is out of work there, he must try to find work; for if he does not, the authorities of the district where he has a settlement will find it for him, and of a kind, perhaps, not at all to his taste—tiring and badly paid. And he cannot refuse to do it, for if he does he may be packed off straight to a penal workhouse, an institution where military discipline prevails, and where every inmate is made to work to the full extent of his strength, receiving in return board and lodging with wages of from a penny to threepence a day. And when once he is there, there he must stay, until the authorities decree that he shall depart; for as a penal workhouse is practically a prison, he cannot take his own discharge, and the police are always on the alert to prevent his running away. No matter how long his sojourn lasts, however, it does not cost the community a single penny; for in Switzerland these penal institutions are self-supporting. Some of them, indeed, are said to be a regular source of income to the cantons to which they belong.

Then in England a man may lose his work through no fault of his own, simply because times are bad; and although he may strive with all his might and main to find something or other to do, he may fail. He may be driven by the sheer force of circumstances over which he has no control whatever into joining the ranks of the unemployed; nay, let him struggle as he will, he may even, if his strength or his heart fail him, be driven into becoming an unemployable. Meanwhile it is no

one's real business to give him a helping hand, and try to keep him from drifting downwards. No matter how deserving he may be, how sober, industrious, and thrifty, the community in most districts takes no more thought for him than for the veriest drunken, lazy wastrel. It looks on the two with an equal eye, and is just as willing to give aid to the one as to the other. The casual ward and the workhouse stand open to all the unemployed alike; and all the unemployed alike, no matter how worthy or how worthless, have an equal chance, so far as the community is concerned, of becoming unemployable.

In this case also in Switzerland it is otherwise: there is no classing of the unemployed by casualty or misfortune with the unemployed by laziness or misconduct there; no meting out to them of the same measure. On the contrary, as a matter both of justice and good policy, considerable trouble is taken to distinguish between the two classes, so that each may be dealt with according to its merits. The man who is out of work through his own fault, and because he does not wish to be in work, is treated as a criminal, and sent as a prisoner to a penal institution; while the man who is out of work in spite of his earnest endeavour to be in work, is helped without being subjected to any humiliation whatever. It is much more easy there, however, than it is here, it must be admitted, to distinguish between unemployed and unemployable; as there every workingman has his "papers," i. e. documents which are given to him by the authorities of the district where he has his settlement, and which contain full information as to where and by whom he has been employed in the course of his life. Still there is no reason why we too should not have "papers," as their cost would practically be nil; and it could be no disgrace to any man, and might sometimes be a great convenience to a respectable man, to have always at hand proof that he is not a wastrel.

In most districts in Switzerland there is a special fund, out of which grants are made to respectable persons who are temporarily in distress, owing to lack of employment; and these grants entail neither the disgrace, nor yet the disabilities, entailed by poor relief. In most districts, too, the authorities make it part of their business to try to provide lucrative work for persons who cannot provide it for themselves. They pay them regular wages, but lower wages than a private employer would

pay them for similar work; and sometimes, instead of paying them in money, they pay them in kind. Then relief-in-kind stations, i.e. casual wards organised on philanthropic lines, are now maintained in every part of industrial Switzerland for the exclusive use of the respectable unemployed; and drunkards, criminals and loafers are never allowed to cross the threshold of these places.

No one is admitted to a Swiss relief-in-kind station unless his papers show that he has been in regular work within the previous three months, and out of work for at least five days; unless they show also that neither the police nor his own district authorities have any reason for looking on him askance. He who is admitted, however, is made welcome, and is treated with consideration as a respectable man whom misfortune has befallen. If he arrives at midday, he is given a dinner, and is told exactly where his best chance lies of finding work in the whole district. For attached, as a rule, to a station is a labour bureau, which is in close touch with all the employers for miles around, and in communication with all the other labour bureaux in the canton, as well as with the central bureau for the whole country at Zürich. If he arrives in the evening, he is provided with supper and a comfortable bed; and on the following morning with breakfast. All this gratis, and without his ever being asked to do a single stroke of work. When once he has been to a station, however, he may not return there until at least six months have passed; and he may not, as a rule, stay more than one night at the same station. Still, if he is foot-sore and weary, and manifestly in need of a rest, he is allowed to remain longer, and is given the chance of washing his clothes and putting them in order. For the very *raison d'être* of these places, it must be noted, is to help the respectable unemployed to find employment, not only by telling them where it is to be found, but by keeping them fit, physically as in all other ways, while they are finding it. For they who manage them are alive to the fact that employers give the preference to the fittest when engaging hands.

These stations are a semi-private institution: they were organised and are managed by local non-official committees, which have formed themselves into an intercantonal union, and all work together. They are supported partly by voluntary contributions, and partly by state, municipal, and communal grants.

The Poor Law authorities have nothing whatever to do with them; great care, indeed, is taken to keep them free from everything connected with poor relief, and to emphasise the fact that they are there for the benefit not of paupers, but of men who, although temporarily in distress owing to lack of employment, are striving to escape becoming paupers.

For respectable work-seekers a relief-in-kind station is a real boon, for they can go there not only without losing their self-respect, but without running any risk of being pauperised. For, although at a station, they are helped in all possible ways to find work, if they are doing their best to find it for themselves; let them but relax their efforts, and show signs of a willingness to remain without it, and they are at once thrown on their own resources. The police, who are in close cooperation with the station officials, always keep a sharp watch on the unemployed, especially on such as are sojourning in these refuges; and if they find them refusing work when it is offered under reasonable conditions, or accepting it and losing it through carelessness, laziness, or any other fault of their own; or lounging by the wayside, or in public-houses, instead of betaking themselves where they have been told there is the chance of a job, the fact is reported, with the result that there is made on their papers a note which prevents their ever again crossing the threshold of any station. At the end of three months from the day they leave work, they forfeit, in any case, their right to go to any station, as by the law that prevails in these institutions it is only men who have been in regular employment during the previous three months who are eligible for admission.

Besides these stations, there are in Zürich, Berne, Bâle, Geneva, Neuchâtel, and St. Gall *Herberge zur Heimat,* i.e. home-inns, where working-men, if without lodgings, may stay with their wives and children for a time at very small expense, or even in some cases gratis. There are also, in the chief industrial centres, *Wärmestuben* (warm rooms), provided either by the authorities, or by some private society, where the unemployed may pass their days while waiting for work.

Already hundreds of years ago the Swiss were dealing with their unemployed on common-sense lines, and for the express purpose of preventing their becoming a charge on the community. And, curiously enough, they were guided by precisely the same principles then as they are guided now. They were

every whit as sure, when Zwinglius was their social law-giver, as they are today, that to help the work-seeker, while harrying the work-shirker, is an act of good policy as well as of righteousness. They had much the same methods, too, of helping and of harrying then as they have now: hundreds of years ago it was their custom to provide work for persons who professed to be unable to provide it for themselves; their custom, too, to see that the work provided was done. Already in 1637 Zürich was maintaining a penal workhouse to which it sent its wastrel population; and in 1657 Berne built for itself a similar institution. From that time until some twenty years ago, the state of things in Switzerland remained practically the same, so far as the unemployed were concerned. And even then, although a notable change was made, it was a change that consisted not in replacing old methods by new ones, but in supplementing the old by new. In the more important cantons the community, instead of contenting itself with taking thought for the unemployed, as it had theretofore, began to take thought also for the employed, began to try to help them—or rather to show them how to help themselves—not to be unemployed, and how to be independent even if unemployed. Up to 1890 social reformers in Switzerland busied themselves chiefly with schemes for providing the unemployed with employment; since then the schemes they have had most at heart have been schemes for enabling the employed to insure against Unemployment, and to remain employable even if unemployed. For now that Switzerland is to a certain extent an industrial state, a new order of things has arisen, one under which it is practically impossible sometimes to provide employment for all who need it, owing to the large number who require it all at the same time.

In the winter of 1890 there was great distress in Switzerland: trade was so bad that half the factories in the country had closed their doors, and every town was thronged with men and women seeking vainly for work. District authorities were at their wits' end; for, let them strive as they would, they could not find work for all who clamoured for it; and when they took to dispensing charity their poor funds were soon empty. A very bitter feeling arose, therefore, among the working classes, one to which they gave voice freely at the Labour Congress that was held in the spring of 1891. At this congress the *Recht auf Arbeit* was the burden of many speeches; and for

the first time the cry was raised for insurance against Unemployment. A petition was drawn up, calling upon the Bundesrath to insert in the federal constitution an article recognising the right of every Swiss subject to have work to do, and to receive adequate wages for doing it; calling upon it also to devise some method of insuring against Unemployment. The Bundesrath, of course, refused the petition. Still the public conscience was troubled; for it seemed an intolerable thing that men who were able to work, and eager to work, should be driven into accepting poor relief or charity because they could find no work to do, even though they sought it diligently.

The trade depression continued, and in the winter of 1891 Dr. Wassilieff, a well-known labour leader, held an inquiry in Berne for the purpose of finding out to what extent Unemployment really prevailed there. His report caused much heart-searching, as it proved incontestably that a large section of the working classes were without employment, and were therefore living just from hand to mouth, within hailing distance of starvation. It proved also incidentally that they who were unemployed then would, the chances were, be unemployed again and again, as their unemployment was the inevitable outcome of the new state of things that had arisen, owing to the industrial development of the country.

No sooner were the results of Dr. Wassilieff's inquiry known than the fact was recognised, in Berne at any rate, that the country was face to face with a terribly difficult problem; and there and then it was decided, in a characteristically practical fashion, that an attempt must be made to solve it. Men of all classes and callings met together; and, having formed themselves into a committee, set to work to study the whole unemployed question, with a view to finding a remedy for the evils entailed by Unemployment. While this committee was still sitting, Dr. Wassilieff organised a Berne Labourers' Union, and drew up for the benefit of its members a scheme for insuring against Unemployment. He proposed that the union should maintain an unemployed fund, to which all the members should contribute; and that the municipality should pay into it out of the rates at least 3,000 francs a year. Out of this fund regular allowances were to be paid to such of the labourers as were out of work, in winter, through no fault of their own.

Dr. Wassilieff having laid his scheme before the committee,

the members modelled on it a scheme of their own, under which it was proposed that any labour union that would organise an unemployed fund, and pay allowances to those belonging to it when out of work, should receive from the municipality an annual grant equal in amount to half the sum of the allowances paid. When this project was brought before the Municipal Council, several of the councillors opposed it strongly, holding that to give public money to funds belonging to unions was practically to offer a bribe to men to become unionists. A commission was appointed, therefore, to consider not only the merits and demerits of the scheme in question, but the whole subject of insurance against Unemployment. Within two months the commissioners pronounced emphatically in favour of this form of insurance, arguing that, for the well-being of the state, it was almost as necessary as insurance against sickness or accident. And they recommended that an Insurance Bureau should be organised immediately, not for any one class of workers, however, but for all classes; and not by trades unions, or any other section of the community, but by the municipality representing the whole community. This was a point on which they laid great stress, arguing that, as Unemployment affects the whole community, the whole community must join in battling against it. Unfortunately, they gave no statistics to prove what the cost of the battling would actually be, although they proposed that the expense it would entail on the community should be limited to 5,000 francs a year.

The municipality decided at once to act on the recommendation of its commissioners; and, as an experiment, to give a trial for two years to the scheme they had drawn up. In April, 1891, there was opened in Berne the first Municipal Bureau for Insurance against Unemployment the world had ever seen.

The bureau was organised on voluntary lines; any Swiss subject might insure in it, but no one need insure unless he chose. Those who did insure were required to pay 40 centimes —a fraction less than 4*d*.—a month each into the bureau fund; and in return they secured the right to an allowance of a franc if alone-standing, or a franc and a half if with others dependent on them, for every day, up to sixty days, they were out of work in winter through no fault of their own. Employers were not required to contribute to the fund, but it was hoped that they would do so voluntarily.

During the first year 404 men insured in it; but fifty of them were struck off the list because they did not pay their fees regularly. Of the remaining 354, 216 were out of work in the winter, and applied for help. Work was found for 50 of them, and the other 166 received allowances. These allowances amounted to 6,835 francs, while the fees the men paid amounted to only 1,124 francs. The following year things were a little better, but only a little; for, although 126 new members joined the bureau, 67 names were removed from the list. In the course of the winter 226 of the insured were out of work, and 219 of them received allowances amounting to 9,684 francs; while the fees of all the insured together amounted only to 1,366 francs. Thus, when in 1895 the time came for weighing the experiment in the balance, no one could claim that it had proved a success. Still, there was a strong feeling that it must not be abandoned, as it might, if worked differently, prove a success in the future. It was bound to prove a success, indeed, its managers maintained, if only working-men of all classes could be induced to throw in their lot together and insure against Unemployment. As it was, it was only the unskilled who insured; and even among the unskilled, only those who were likely to be unemployed. This was proved by the fact that, in the first year the bureau existed, 61 per cent of the men belonging to it were out of work. It was proposed, therefore, that insurance against Unemployment should be made compulsory; and as this was beyond the power of the municipality, Dr. Wassilieff appealed to the cantonal government to frame a measure on the same lines as that on which the Courts of Trade are founded, conferring on district authorities the right to organise, in cooperation with the state, insurance against Unemployment on compulsory lines. He even showed them how it could be done, as he drew up for them a compulsory insurance bill.

The bill was received with enthusiasm, and the Minister of the Interior announced his intention of adopting it as a governmental measure. He changed his tone, however, when he found that, although the mass of the workers were in favour of it, the better paid among them were bitterly opposed to it, regarding it as an attempt to levy a tax on them for the benefit of their less well-to-do comrades. Besides, if it were passed, the whole canton would be flooded with underpaid labor from other cantons, they said. The end of it was, the Cantonal Parliament,

while expressing warm sympathy with the aim of the Bill, decided that the subject with which it dealt was not ripe for legislation.

Meanwhile the Berne Voluntary Insurance Bureau was pursuing the even tenor of its way. It was reorganized in 1893 and again in 1900. Since then it has developed into an extremely interesting and useful institution. It is now joined to another and still more useful institution, the Berne Municipal Labor Bureau, the two being housed in the same building and worked together. They are under the direction and control of a managing board, consisting of nine members, three of whom are elected by the men who insure and three by their employers, while three are appointed by the Municipal Council. These directors hold office for four years; and at the end of every year they render an account of their stewardship to the Municipal Council. Three of the directors watch over the working of the insurance bureau; three over that of the labor bureau; while one acts as president, another as vice-president, and another, again, as treasurer. The actual work of the bureaux is done by three paid officials, the manager, the manageress, and a clerk. The manager is directly responsible to the directors both for what he does himself and what is done by the other officials. All the bureaux officials, whether honorary or paid, carry on a regular propaganda to induce men in good times to insure against Unemployment in bad times. The insurance bureau is open only to men; but the labor bureau is open both to men and women.

Any man who lives in Berne, whether a Swiss subject or not, may now insure against Unemployment in the municipal bureau, providing he is able to work and not above sixty years of age. All that he has to do is to apply to the bureau, either directly, or through his employer or his union, for an insurance book, and fasten into it every month an insurance stamp of the value of 70 centimes. In return for these 70 centimes a month he secures the right to a money allowance for every day, up to sixty days, that he is out of work during the months of December, January, and February, provided that he has been in work for at least six months in the course of the year, provided also that he has not lost his work through laziness, disorderly conduct, or any other fault of his own, and that he has not refused work offered to him on reasonable conditions. A man who is unemployed because he is unemployable, whether from illness or

any other cause, cannot claim an allowance; nor can one who is out on strike, or who has belonged to the bureau for less than eight months, or who is in arrears with his fees. For the first thirty days the unemployed allowance is a franc and a half a day each for men who are alone-standing, and two francs for those who have others dependent on them; and for the remaining thirty days it is as much as the directors can afford to make it—anything from 80 centimes to a franc and a half. If the directors refuse to grant a man an allowance, or if they reduce his allowance at the end of thirty days below what he thinks it ought to be, he may appeal against them to the Court of Trade. The unemployed elect two of themselves to watch over their interests and see that each of them receives his due.

The directors are bound to grant an allowance to every member of the bureau who fulfils the conditions under which allowances may be claimed. As one of these conditions is, however, that the claimant must be out of work through no fault of his own, they take it for granted that every claimant is anxious to be in work; and, therefore, before giving him one penny, they try to find work for him. The manager of the insurance bureau, it must be remembered, is also the manager of the labour bureau, and as such is in constant communication with all the employers of labour in the canton, as well as with all the labour bureaux in the country. He, therefore, knows to a nicety the state of the labour market, and can say at once where, if anywhere, work is to be had. And members of the insurance bureau are allowed to travel on all the state railways at half the usual fares, when in search of employment. If he reports to the directors that there is no work anywhere, they apply to the Municipal Board of Works to start at once some undertaking that would, perhaps, otherwise not be started until later. For they have an agreement with this board that all municipal work shall, so far as possible, be done in December, January, and February, and by members of the insurance bureau. Thus they have, as a rule, a fair amount of work to offer during these months; and anyone who refuses it when offered forfeits, of course, his claim to an allowance. Allowances are granted, in fact, only in cases in which work cannot be provided and only until it can. The men who receive them are required to present themselves, twice every day, in the bureau waiting-room to see if the manager has a job for them.

On the 1st of April, 1905, the insurance bureau had 593 members, and 196 more joined it in the course of the year; while 175 were struck off its list, either because they had died, or because they had failed to pay their fees. On the 1st of April, 1906, it had 614 members; and it gained 126 more during the year, while it lost 169. In the winter of 1905-6, 234 of the insured, i. e. 38 per cent, were out of work and received either work or allowances. Of these 63 per cent were under fifty years of age, and only 9 per cent were above sixty. In the winter of 1906-7, out of 571 members, 239, i. e. 42 per cent, announced themselves as being out of work. Fifty-five per cent of the 239 were under fifty years of age, and fifteen were above sixty. The bureau succeeded in providing 114 of them with work, and granted allowances to the rest.

In 1905-6 the full expenditure of the insurance bureau, exclusive of rent and salaries—the municipality provides the building for both the bureaux and pays their three officials—was 6,480 francs; and in 1906-7 it was 10,438 francs. In 1905-6, 6,228 francs out of 6,480 went directly to the insured in allowances; and in 1906-7, 9,804 francs out of 10,438. In the former year office expenses amounted only to 123 francs, and in the latter, to 375.

In 1905-6 the income of the bureau was 19,022 francs, viz.—

	Francs
Members' fees	4,702
Employers' voluntary contributions	1,356
Other presents	229
Municipal grant (fixed in amount)	12,000
Interest on capital	735
Total	19,022

In 1906-7 its income was 17,948 francs, viz.—

	Francs
Members' fees	3,822
Employers' voluntary contributions	1,043
Other presents	76
Municipal grant	12,000
Interest on capital	1,007
Total	17,948

Thus, even without any municipal grant at all, the insurance bureau in 1905-6 would have paid its way and have had a balance to the good of 542 francs; while in 1906-7 its deficit would have been only 4,490 francs.

The labour bureau works on a much larger scale. In 1905-6, 13,361 men and women applied to it for work, and it found work for 6,582 of them. The next year, 15,509 persons applied for work, and 8,365 of them received it. Beyond its share of the salaries of the three officials and of the rent of the building where it is housed, the labor bureau receives nothing from the municipality. Nor does it need anything; for, although when acting for employers or employees belonging to Berne it does its work gratis, it charges a small fee when acting for aliens; and these fees cover its expenses.

Neither of these bureaux entails any great expense on the community, it must be noted, and they both render it good service. And they will assuredly render it much better service in days to come than they render it now. For that in labour bureaux and insurance against Unemployment lies the true solution of the unemployed problem there seems little doubt. Only, for it to be the true solution, the insurance must be compulsory; as otherwise, they who insure against Unemployment will always for the most part be they who are going to be unemployed. And unfortunately therein is a great difficulty; for no really satisfactory scheme, on compulsory lines, for this form of insurance has yet been devised in Switzerland, in spite of all the attempts that have been made, not only in Berne, but in St. Gall, Bâle, Zürich, and Lausanne. Still, many heads are now at work trying hard to devise one, and the firm belief prevails that one will be devised before long.

Meanwhile there is no just standing aside with folded hands waiting. On the contrary, while financial experts are grappling with one unemployed problem—insurance—the very man in the street is grappling with another; and his problem is even more important, perhaps, than the experts'. Within the last few years there has arisen in Switzerland a great popular movement, the end and aim of which is to secure, so far as possible, the working classes against Unemployment, by securing them, *nolentes volentes,* against unemployableness. There is something very like a crusade, indeed, being carried on there against everything that tends to make men unemployable.

In Switzerland, as elsewhere, labour bureaux statistics prove clearly that, excepting during industrial crises, the overwhelming majority of the unemployed always belong to the unskilled class; while the personal experiences of bureaux officials go far towards

proving that the majority of them are more or less unemployable, because either drunken, lazy or unfit. In the chief cantons, therefore, men and women of all degrees have formed themselves into societies; and have set to work, in cooperation as a rule with the local authorities, to try to bring about the virtual extinction of the unemployed class by preventing new recruits from joining it. With them it is a regular business to watch over the young, and see that their fingers and their eyes are trained as well as their brains; and that each one of them is fitted, so far as in him—or her—lies, to become a skilled worker.

In almost every national school there are now technical classes, and a boy must, whether his parents wish it or not, learn some handicraft before he leaves; while a girl must learn sewing and laundry work as well as cooking and housewifery. There are technical continuation schools, too, both for boys and for girls, where they may learn gratis anything from millinery to higher mathematics. In several cantons Poor Law authorities are expressly forbidden to allow the children under their care to become unskilled labourers; and these authorities cannot free themselves from their responsibility for the maintenance of a state child until it has learnt a lucrative calling. Parents who neglect their children, who allow them to absent themselves from school, or who do not do their best to put them in the way of becoming useful self-supporting citizens, are regarded and treated as criminals. One of the functions of labour bureaux is now to arrange for the apprenticeship of boys whose parents cannot be trusted to arrange for it wisely. Masters are directly responsible to the local authorities for the technical training of their apprentices; and if they fail in their duty to them, they may be punished. In some places they are required to see that their young employees go to a night school. Thus for the future no boy, unless he be mentally defective, will be forced to join the unskilled class, no matter how poor or neglectful his parents may be. And if he is not thrifty and sober, as well as skilled, the blame will assuredly be his own. For in every school thrift is now taught as carefully as arithmetic; and teachers are required to use their personal influence over their pupils to induce them to put into a savings bank any few pence they may have. They are required, too—this by decree of the Bundesrath—to make them understand that alcohol is something which it behoves them neither to touch nor yet to handle.

Nor do either local authorities or private societies content themselves, in Switzerland, with battling against unemployableness in the workers of tomorrow; they battle against it also, and almost as eagerly, although much less hopefully, in the workers of today. There are cantons where the life of any man who even tries to loaf is made a burden to him, and where at the first sign of alcoholism the patient is packed off to a home for inebriates. For the Swiss, being a robust race, have no scruples whatever about setting at naught individual rights, when these rights either clash with the interests of the community, or threaten to entail on it expense. Switzerland claims to be the freest of lands; but no man is free there to be idle, unless he can prove, to the satisfaction of his district authorities, that he has the means wherewith to provide for himself and those dependent on him without working. Nor, even if he has the necessary means, is he always free to drink at his own discretion. Whether he is, or is not, depends on the temper of his local authorities, who may, if they choose, imprison in homes for inebriates habitual drunkards, so as to prevent their setting their fellows a bad example; just as they may imprison in penal workhouses loafers, even before they become a burden on the community, so as to prevent their ever becoming a burden.

Both homes for inebriates and penal workhouses are regarded in Switzerland as "bettering" institutions and they who are sent there are sent to be bettered—cured of their moral infirmities.

While local authorities deal with drunkards, private societies—the Blue Cross, the Gemeinnützige Gesellschaft, and many others—make it their business to try to prevent drinking and in this they have the hearty support of all the authorities alike, from the Bundesrath downwards. When the Bundesrath handed over to the cantonal governments the yield of the spirit monopoly, it stipulated that one-tenth of it should be devoted to promoting temperance and combating alcoholism. And only a few months ago it went a step further, as it prohibited the manufacturing of absinthe; and it is now taking measures to guard against its being imported. Any society for the promotion of temperance receives a grant from the spirit monopoly fund, if it can prove that it is doing its work well. It is not necessary to preach temperance to obtain one; for they who deal out the grants recognise the fact that it is not always by preaching that temperance is best promoted. Half the men who resort to public houses do so

because they have no decent fireside of their own by which to sit; and more than half of those who drink, drink because wholesome, well-cooked food is not within their reach. The Swiss, therefore, very wisely class societies for housing the working classes, or for providing cheap, wholesome food, as temperance societies, and grant them subsidies. Year by year, indeeed, a larger and larger section of those among them who fight against alcoholism, and through alcoholism against unemployableness, are coming to look on decent housing and good food as their surest weapons; and on good food as a surer weapon, even, than decent housing. That is why there are now springing up on all sides people's kitchens, where a hungry man is provided for *4d.* with as much as he can eat—a three course dinner. That too, is why social reformers are now going forth into the highways and byways, and are literally forcing girls and women to come in and be taught how to cook. They try to teach them also how to take care of their babies, and how to make their homes comfortable; still, the first lesson of all that they teach them is how to cook a good, cheap dinner. For all Switzerland is now alive to the fact that if men, whether unemployed or employed, are not to become unemployable, they must be kept from drink; all Switzerland is alive to the fact, too, that it is hopeless work trying to keep them from drink, unless they are properly fed.

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Great Britain's Experiment in Compulsory Unemployment Insurance. Katharine Coman

The problem of Unemployment is nowhere more disquieting than in the British Isles. England's period of supremacy, when her manufactures supplied cotton cloth and hardware to the world has given way to chronic depression, as Germany and the United States have penetrated the markets so long regarded as a commercial monopoly. The recurring business crises, as reflected in Unemployment, indicate a diminishing intensity, but the general percentage of Unemployment, as reported by the trade unions records is not diminishing.

The general average of Unemployment for 1871-1880 was 3.99 per cent; that for 1881-1890, 5.27 per cent; that for 1891-

1900, 4.39 per cent; and that for 1901-1910, 5.05 per cent. This, in spite of the fact that the reporting unions represent the pick of the wage-earners. In years of industrial depression, the number of unemployed among trade union members doubles this average. The general percentage rose to 11.4 per cent in 1879, 10.2 per cent in 1886, 7.5 per cent in 1893, 6 per cent in 1904, and 7.7 per cent in 1909. At such times the Unemployment among casual laborers amounts to a national calamity. The distress of the dock-laborers of London and Liverpool, for instance, affects the whole community.

Charitable enterprises of every description are put under heavy strain without doing more than keep the men and their families alive, the people are demoralized, the diseases engendered by under-feeding and over-crowding thrive, children are born and bred under conditions that entail physical defects and mental incapacity, the race standard is perceptibly debased.

In the midst of the unexampled distress of 1886, Joseph Chamberlain, then president of the Local Government Board, proposed that the unemployed be treated, not as paupers and "sturdy beggars," but as men who would be glad to earn their own living if they could find work and wages. In a circular addressed to the town councils of the realm, he urged that municipal works should be undertaken wherever shortage in the demand for labor had reached serious proportions. In response to similar circulars issued by the Local Government Board in subsequent financial crises, the policy of municipal employment was thoroughly tested.

The instructive history of this twenty years' experience is given in the Minority Report of the Poor Law Commission. Every form of public enterprise was attempted, the building of roads and water-works, the grading of parks and recreation grounds, potato-growing, the draining of swamps, the reforestation of waste lands, the construction of bulwarks against coast erosion—all with the same result. The work cost more than under ordinary business conditions and was not so well done, the legitimately unemployed were seldom effectively helped, while tramps and casual laborers came to regard the town council as a permanent resource. The "unemployed vote" came to be a menacing factor in local politics.

No other method of dealing with the problem was suggested, however, and the terrible winter of 1904-5 impelled the Liberal-

Unionist government to father the Unemployed Workmen Act of 1905. Artificial employment was still to be provided by the municipalities, but elaborate precautions were taken to restrict the opportunity to "the élite of the unemployed." The necessity of providing more normal avenues to employment was recognized in the sections that directed the establishment of labor exchanges as well as distress committees in every county and county borough of the Kingdom. Systematic migration from places where labor was superabundant to places where it was in demand was suggested. Men of sufficient caliber were assisted to go to the British colonies, and farm colonies were organized for the men who needed training and physical betterment.

The results of this endeavor to deal with the problem of Unemployment on a national scale were disheartening. Emigration was successful so far as the individual families were concerned, but it was evident that Great Britain could not long afford to send her ablest workmen over-sea. Few labor exchanges were established, and these served merely to register applications and made little effort to secure positions. The general tendency was to rely upon public works as an immediate panacea, and in spite of all the limitations prescribed by the law, "the élite of the unemployed" were not reached. Of the applicants for work 53 per cent were casual laborers and 40 per cent might be characterized as "underemployed"—the hangers-on of declining trades. Nothing was accomplished in the way of diminishing Unemployment, and the best that can be said of the Unemployment Workmen's Act is that it was an expensive but instructive demonstration of how not to do it.

Fortunately not much time was consumed in following this wrong tack. The report of the Poor Law Commission published in 1909, reviewed the whole situation. Both the majority and the minority reports agreed that Unemployment was a new problem for which the elaborate mechanism of the poor law provided no suitable remedy. The majority had a partial solution to propose, but the minority of four, with whom Mrs. Sidney Webb was an influential factor, studied the underlying causes of Unemployment and presented a scheme of reform that promised something more than palliation. They recommended that such relief work as proved necessary should be such as to mean the renewal of working energy, i.e. industrial training and physical development, such as the Hollesley Bay farm colony

was planned to furnish to the men sent there for work. They urged that the labor exchanges, which had worked admirably in London and the three Scotch towns where they had been given a fair trial, should be rendered obligatory, so that a nation-wide network of employment bureaus should be in constant operation to bring demand and supply into effective relation.

The fact that under existing industrial conditions there was an actual surplus of labor, was definitely recognized and the problem of providing the under-employed with the means of earning an adequate livelihood was frankly met. A simple solution was proposed, viz., to relieve the over-worked and thereby provide occupation for the under-employed. The age at which boys and girls begin work should be raised to fifteen. Wage-earners under eighteen should be required to spend half of every working day in an industrial training school. The eight-hour day should be the standard wherever the government had the right of regulation, as with railway and tramway servants. The mothers of young children should be withdrawn from industrial employment, and the "home aliment" allowed to those who have no other means of support should be sufficient for suitable maintenance. Finally, public employment as far as possible should be so adjusted to periods of industrial depression as to absorb in some measure the men thrown temporarily out of work.

For the normal amount of Unemployment that must always occur under a wage-labor system, in spite of all legislative precautions, the majority and minority report recommended assisted insurance through the medium of trade unions, following the plan that had proved successful in Ghent and various European cities. An unemployed benefit to which he had himself contributed and which was accorded him under conditions set by a body of which he was a member, would tide a man over the difficult days or weeks between jobs, without in any way diminishing his self-respect or his determination to find work at the first possible opportunity.

The initial step in a comprehensive scheme of betterment was taken in the law of 1909 which rendered the establishment of labor exchanges compulsory under the supervision of the Board of Trade. A central office in London is the controlling authority for the whole Kingdom. Eight divisional offices at London,

Bristol, Birmingham, Doncaster, Warrington, Cardiff, Glasgow and Dublin supervise the local offices. There are 423 labor exchanges and 1,066 local agencies (each directed by the nearest labor exchange) so placed that there is an employment bureau within five miles of every appreciable body of workmen. The total staff of this network of offices approximates 5,000. The system is admirably organized, and the spirit of the service is intelligent and devoted, according to the testimony of friends and critics alike. The labor exchanges have accomplished much, during the four years of operation just closed, to bring men seeking employment within reach of the employers who are seeking labor. There is some prejudice against the official bureaus inherited from the days in which the labor exchange was closely associated with the distress committee. As yet few employers turn to the exchange for high-grade labor, and skilled artisans dislike to find themselves associated with "unemployables" on the waiting lists. The prejudice is passing, however, and the system of labor exchanges, communicating the state of the labor market from one industrial center to another, is already regarded as an indispensable method of distributing surplus labor.

The adoption of the policy of compulsory and assisted insurance against Unemployment constitutes so startling a departure from the traditional British reliance on freedom of choice and individual initiative that a word as to the preliminary discussion seems essential.

Resolutions in favor of the Ghent system of assisted insurance had been brought forward in trade union congresses even before the method had been recommended by the Majority and Minority reports of the Poor Law Commission, and two valuable discussions of the European experience were available to the interested public. The National Insurance Act containing provisions for compulsory insurance against sickness, and Unemployment, was before the House of Commons from May to December of 1911. (Part I of the National Insurance Act deals with sickness insurance and Part II with Unemployment insurance.) The debate on the double measure witnessed some remarkable changes of front. Prime Minister Asquith had put himself on record as opposed to the policy of compulsion:

"You cannot, if you would, set up and work here the complicated and irritating machinery by which in Germany the

necessary funds for provision against sickness and old age are extracted from employers and employed." Mr. Masterman, another member of the Cabinet, said:

"Compulsory thrift is no more thrift than compulsory religion is religion. . . . A contributory scheme is foreign to the traditions of this country. . . . You would be extracting taxes from the poorest class for the benefit of the well-to-do."

On the other hand closer students of Unemployment insurance, like Winston S. Churchill and Sidney Buxton, argued for compulsory insurance. "Voluntary schemes," said the Secretary of State for the Home Department, "have always failed because those men most likely to be unemployed have resorted to them, and consequently there was a preponderance of bad risks . . . which must be fatal to the success of the scheme." (Trade union insurance, it should be noted, is voluntary so far as the decision of the union is concerned.)

As to the objection that compulsory insurance might work injustice to the superior workman by imposing upon him the risks of the inferior man, Mr. Churchill stated that this disadvantage was mitigated in the case of assisted insurance. "It is intended by the state payment to make it just worth while for the superior workman to pool his luck with his comrades; it enables the insured person to share the advantages and not to share the risks." Mr. Lloyd George, Chancellor of the Exchequer, lent the force of his powerful personality to the campaign for a measure of insurance against sickness and Unemployment and thus a qualified form of compulsory contribution secured the general support of the Liberal party.

Part II of the National Insurance Act makes insurance against Unemployment obligatory for the workmen and workwomen in seven selected trades, viz.: building, construction of vehicles, ship-building, engineering, iron-founding, saw-milling and construction of works. These trades were chosen for the initial experiment because they were peculiarly subject to periods of Unemployment and yet the wages paid were such as to enable the men to meet insurance premiums. The percentage of unemployed in 1909 for the engineering, ship-building and metal trades was 13 per cent, carpenters and joiners 11.7 per cent, for wood-working and furnishing 7.6 per cent, for printing and book-binding 5.6 per cent, for all other trades represented in the 100 principal trade unions, 2.6 per cent.

The data for a final actuarial estimate were confessedly inadequate; but on the basis of an annual Unemployment varying from 4 to 16 per cent, a flat rate of 6⅔d. a week was determined upon. Of this premium, the employer pays 2½d. (5 cents), the workman pays 2½d., and the state adds 1⅔d. (3⅓ cents), or one-third the total contribution.

The collection of the contributions on behalf of 2,500,000 men was consigned to the Board of Trade to be carried out through the mechanism of the labor exchanges. The German method was adopted whereby the employer is held responsible for requiring an "Unemployment book" from every insurable employee and for placing therein, week by week, the five-penny insurance stamp which represents the combined contribution of master and man. The workman's wages are docked in proportion. The law provides that the premium rate may be revised at intervals of not less than seven years, on condition that the combined contribution of employer and employed may not exceed seven pence per week without Parliamentary sanction and that the respective contributions may not be unequal.

To the existing functions of the local labor exchange—the registration of the unemployed and the endeavor to find them suitable employment was now added the duty of filing the "Unemployment books" of the men thrown out of work in the locality, registering their applications for work, and, in case no suitable work could be provided paying their Unemployment benefits. Each claim with the necessary data is forwarded to the provisional office to which the local exchange belongs, and its validity is there passed upon by the insurance officer after the employer is given opportunity to protest it.

No workman may secure benefit for unemployment due to a trade dispute in his shop, to misconduct on his part or to his voluntary and unjustified departure, nor while he is an inmate of any prison, workhouse, or other public institution, nor while he is in receipt of sickness or disablement benefit under Part I of the act. On the other hand, the workman is not obliged to accept employment in a shop where the men are on strike, nor must he take work at lower wages or under conditions inferior to those which he has habitually obtained or to the standard maintained by the trade union of that district

Benefit is paid at the rate of 7s per week up to a maximum of fifteen weeks in any twelve months. No man may draw more

than at the rate of one week's benefit for five weeks contribution. To obviate hardship in the case of the older man, every employe already at work in an insured trade before the initiation of unemployed insurance was credited with twenty-five weeks' premium, i. e., with five weeks' benefit.

The law invites the cooperation of trade unions organized in the insured trades by permitting associations which pay Unemployment benefits to their members to recover from the Unemployment fund the amounts which the members could have drawn under the limitations of the act. Voluntary insurance on the part of any association outside the compulsorily insured trades is encouraged by the offer of the government to refund one-sixth of all such benefits not exceeding 12s per week, from a special appropriation—an arrangement modeled upon the Ghent system as adopted at Strassburg. A considerable number of trade unions have been stimulated to the payment of Unemployed benefits by this offer, although the ratio of refund to original benefit is less than under the Ghent system as carried on in Belgium, Holland, France, Denmark or Norway.

The compulsorily insured associations may participate in this state subvention in respect to benefits paid their members in excess of the required 7s per week. For example, a carpenters' union paying a weekly benefit of 12s to its unemployed members may recover 7s under Section 105 of the act and one-sixth of the excess or 10d under Section 106. Registration at a labor exchange is not required of unions voluntarily insured.

Other provisions of this well-thought-out piece of legislation are intended to reduce the amount of Unemployment by decasualizing labor. For example, the premium rate is higher in case a man is employed for less than a week; two pence from both master and man for two days' employment, and a penny each for one day or less. On the other hand, the employer may claim a refund of one-third of the contributions he has made for each man kept continuously employed during at least forty-five weeks of any one year. In the case of large establishments this refund becomes a considerable item.

Registration under the unemployed workmen's insurance act began on July 15, 1912, and payment of benefits on January 15, 1913. The total number of Unemployment books issued during the first year's operation was 2,508,939 for the compulsorily insured trades (about 10,000 of these to women and girls and

100,000 to boys), and 172 trade unions, with a membership of 376,041, made arrangements to claim the state subvention for voluntary insurance.

In the compulsorily insured trades, 21 trade unions, with a membership of 86,000, have begun to make provision for Unemployment benefit, which had not contemplated doing so before the passing of the act.

The number of persons insured under the voluntary and compulsory provisions of the act in January, 1914, is little less than 3,000,000, or fully one-fifth of the total number of wage-earners in the United Kingdom.

Unemployment insurance is no panacea for the low-paid laborers of the fields and the coal-mines or for the casual laborers of the docks and warehouses. Ben Tillett, for example, takes a pessimistic view of the possibilities of such a remedy for the woes of the dock-laborers unless the state subsidy bears a much more generous ratio to the contributions of the men, and other leaders of the unskilled trades agree with this opinion.

The General Workers' Union, like the Unskilled Laborer's Union of Denmark, has thrived under the national insurance act. The membership has grown from 20,000 to 100,000 in the past year and the organizers expect soon to reach the 200,000 mark. The organizers attribute part of this phenomenal increase to the national insurance act. Neither can insurance cope with the surprisingly large proportion of Unemployment discovered among "young persons." Indeed, boys under eighteen are excluded from benefit. Vocational guidance and industrial training are the only adequate remedies, and some steps are being taken by the Board of Trade in the way of providing special direction of juvenile employes.

During the six months following January 15, 1913, payments on account of unemployed benefits to the number of 774,494 were made by the labor exchanges and authorized unions, amounting to £236,458, i. e., the claim allowed averaged £9,100 per week. Since the contributions of employers, men and state combined, were coming in at the rate of from £43,000 to £44,000 a week, there was, at the end of the first six months' operation, an unexpended balance of £1,610,000, after 10 per cent of the revenue had been deducted to meet the expenses of administration, a most satisfactory outcome.

The number of old-age pensioners for England and Wales during 1912 was 642,524, less than the number of unemployed beneficiaries of unemployed insurance, but the payments on this account amounted to £7,948,016.

It must be remembered that 1913, the initial year of Unemployment benefits, was a period of extraordinary prosperity for English trade, and that the percentage of Unemployment was consequently unusually low—lower, indeed, than had been recorded by the trade unions for twenty years previous. No serious strain, therefore, has yet been imposed upon the Unemployment fund. The next financial depression will determine whether the rate of premium must be raised and the ratio of the state contribution increased in order to guarantee the continuous payment of benefits and whether it may not be necessary to resort to some of the preventive measures recommended by the Minority Report of the Poor Law Commission.

On the other hand, the strain on the resources of the labor exchanges has been very great, and it is most fortunate that three years' experience had brought that elaborate mechanism to a high degree of efficiency.

The working force proved adequate to the test, and the insuring of two and a half million men against Unemployment has been accomplished with the minimum of friction. With English reticence W. H. Beveridge, director of labor exchanges, contents himself with the modest statement that "compulsory state insurance against Unemployment in scheduled trades appears to be administratively practicable. No insoluble difficulties have presented themselves as regards the definition and the test of Unemployment. Some sort of demarcation of the insured trades has been effected."

The burden of work imposed upon the employers and trade unions cooperating with the labor exchanges under the insurance act was also very heavy. Large business firms had to add two or three clerks to their office staff, and the secretaries of the thousands of union offices were fairly swamped under the unfamiliar forms and figures. The policy of the Board of Trade is to encourage the keeping of "Unemployment books" and "vacant books" at the labor exchanges, so that one source of complaint of extra labor may be obviated.

Overt opposition to Unemployment insurance on the part of the employers and men concerned has thus far been surprisingly

slight—far less, indeed, than to the sickness insurance prescribed under the same act. Several of the trade unions had long been accustomed to pay unemployed benefit, and their members were accustomed to this form of foresight. The business firms involved were, moreover large-scale employers for the most part, who could add this item to the cost of production without jeopardizing profits. Under health insurance, on the contrary, thousands of small employers and hundreds of thousands of housewives were affected, and they bitterly resent the tax upon their pocketbooks.

The general public has not yet the data on which to formulate any consensus of opinion, but the testimony of trade union leaders is quite clear on certain points. The younger men, who are apt to be Socialists, protest that the workmen should make no contribution to insurance against Unemployment, but that the state should pay the benefits out of taxes on property. They demand that the requirement should be made universal and non-contributory, at least so far as the men whose wage is less than twenty shillings a week are concerned.

Some of the old trade unionists, on the other hand, think the regulations of the national insurance act inferior to the former union methods. The pooling of the unequal risks of different trades appears to them bad insurance. Groups of workers subject to frequent Unemployment become parasites upon the low-risk trades. In requiring a flat rate of every type of risk the principle of mutuality is stretched too far. The well-paid workman could afford a larger contribution while the low-paid man cannot give so much. The dock-laborers, for example, pay a union due of three pence a week which must cover strike benefit, sick benefit, etc., and which cannot cover the risk of Unemployment in their highly uncertain occupation. Moreover, the legislative benefit of seven shillings a week is regarded as insufficient and the limitation of payment to fifteen weeks in any one year and to one week of benefit for five weeks of contribution is deemed unnecessarily severe. The trade union regulations were more liberal because the accumulation of a reserve fund was not considered essential.

The men complain that the delays involved in getting claims approved by the divisional offices is often a serious hardship and that the reference of every claim to the employer for verification often works injustice where the master or his foreman are hos-

tile to the individual in question. In such case the union officials would sustain the man's right to aid.

The severest critics of the law concede, however, that the provision that the unemployed need not accept a job rendered vacant by a strike or offering lower wages or inferior conditions to those established by his trade union, is faithfully observed by the officials of the labor exchanges and that the general effect is a better maintenance of the union rates than when men were forced by starvation to accept a competitive wage.

The fact that in February, 1914, 337 trade unions with a membership of 1,164,000, had complied with the act, and that more than half of these were for voluntary insurance, indicates the favorable attitude of the labor men.

The employers consulted have treated the Unemployment premium as an establishment charge which could easily be borne in a prosperous year. The smaller firms may well have felt the pinch of an annual assessment of 10s 5d ($2.50) per man employed, but they have made no organized protest. It is pretty generally recognized that the new tax on industry is likely to be a permanent one.

I. W. Chubb, English editor of the American Machinist, states the fundamental argument. "If a reserve of labor is really necessary for a given industry . . . then—that reserve should be supported by the whole of that industry, and not merely by the workmen. In short, each industry should be self-supporting, as completely as possible."

Employers and employed are given a share in the management of the exchanges. They are represented, equally with the workmen, on the courts of referees, but in case the insurance officer disagrees the decision may be appealed to the umpire. The employers' federation urges its members to report adversely wherever Unemployment is due to misconduct or to any other disqualifying reason, in order to reduce by so much the charges upon the fund; but not more than one in six of the employers consulted takes the trouble to fill out the Unemployment blank and return it to the exchange.

Well-informed critics of the compulsory insurance measure such as I. G. Gibbon and W. H. Bailward, chairman of the Bethnal Green Board of Guardians, distrust the policy of compulsory insurance as alien to British traditions and likely to demoralize the men concerned.

"Compulsion must profoundly affect the character of the people," says Bailward, "rich and poor, employers and employed, for good or ill. The real question is, how, in the long run, will it affect habits of industry and self-reliance? How will it affect the sentiments of good will and fraternity amongst all classes? . . . If, as many fear will be the case, it tends to breed ill will, if it tends to impair personal initiative and responsibility and to foster idleness, malingering and deception, then, though it may for the moment force a number of people into statutory insurance who have not been insured before, yet it is bound ultimately, by lowering the character of the people, to produce disasters far worse than any which we have now to bear."

It is quite too early to judge as to the effect upon national character of this experiment in "help of self-help," but as to malingering, and falsification, only forty-seven cases were reported among the 415,788 claims that came before the divisional offices during the first six months' operation. The criticism that insurance cannot relieve the low-paid men and the under-employed and that work is a better panacea than benefits, would hardly be disputed by the most ardent champions of the scheme, but the same statement would hold of voluntary insurance on the Ghent plan. The authors of the national insurance act did not expect that insurance would meet the whole need and they relied rather upon the work of the employment bureaus and projects for industrial training.

Experts are agreed that Unemployment should be regarded as a disease of the present industrial order which must be combatted at every point. It is not enough to provide relief for the ailing. We must inaugurate measures of prevention in the endeavor to abolish the evil, just as a board of health combats contagion or a school board combats ignorance. "Fifty years hence," says the Minority Poor Law Report, "we shall be looking back with amazement at the helpless and ignorant acquiescence of the governing classes . . . in the constant debasement of character and physique, not to mention the perpetual draining away of the nation's wealth, that idleness combined with starvation plainly causes."

Craftsman. 27:708-10. March, 1915

Gardens and the Unemployed

If the miracle which the garden could work were fully comprehended, if it were taken in the right spirit, it would not only furnish occupation without sentimentality, but it would lessen throughout the world that thing most subversive of morality—idleness. The unemployed are likely sooner or later to accept idleness as a necessity. The two most disintegrating evils in modern civic conditions are idleness and charity, for idleness forces charity from the sentimental and charity produces idleness in the ignorant. Dionysius, the elder, must have realized this when he replied, to one who asked him whether he were at leisure, "God forbid that it should ever befall me." There can be no development in civic progress where any number of the citizens are idle; whether the idle are rich or poor, makes no difference. Always when the body and mind and soul are unemployed the nation suffers.

We must see work in its true light, we must see "that honest labor bears a lovely face," if we are to meet our problems in America by the development of gardens in America. If we are to reduce complexities and anxieties of civilization to order and beauty it must be through something as simple and natural as garden making. "Come forth into the light of things, let nature be your teacher," wrote Wordsworth, and we shall find after all our mistakes and our wanderings that as a nation it is to the universal mother we must go if we are to find a wise and sane fulfilment of our democratic aspirations.

Here in America it was through our original great need of organization, of capital, or machine-made commodities that forced upon us a world of cities, of machines, of books, of *things;* and this has become so powerful (in answer to our great need) that we are almost in the position of being managed by the terrific forces that we have created.

But alas, when we turn to this dynamic storehouse of food necessities, of shelter, of mechanical energy, and ask it for beauty of mind, for spiritual wisdom, for strength of body, for inspiration that our poets and artists may live, we are astonished and wounded to find that it gives us no response, that it stands above us and about us, immeasurable, implacable, immovable. It is only when we turn away from this man-made world and

move back into our gardens, when we get up with the sun in the morning, and till the soil, when we watch the seeds develop, the stalks springing up, blossoms opening, that we find again real loveliness, real solace for our spirits, and "thoughts that often lie too deep for tears."

All over America today there is an enormously increased demand for the product of the ground; nature is in need of laborers as never before. We ourselves are complaining of the cost of living, we need more fruit, more garden truck, an enormously increased wheat production, we need the quick raising of poultry, live stock that will give us speedy returns. There has never been a time in America's history when such enormous and profitable opportunities have been offered to the gardener and the farmer. If we could turn the tide of all our surplus city population toward our rural districts, labor would be found for every man, woman and child, profitable labor, and in addition to that, a better way of livng—health for the children, good schools and the use of humanity for the actual betterment of the whole world. And yet we hesitate and we form societies and organizations to support the people out of work, instead of forming societies and organizations to teach them where work lies, to help them to get to it, to train them to understand and believe in it.

It is our own fault if our cities are over-populated with the poor and the weak. We do not tell them the truth, we do not make them understand what the garden holds for them. We are forever talking of our factories, we take our beautiful young life and thrust it into our sweatshops, we destroy by these very sweatshops and by our charity bureaus what we should develop for the nation's wealth. And when I say the nation's wealth, I mean the mental and spiritual wealth of America, as well as the increase of her gold. We need schools and societies and lectures to remind the people of every city in the Union that America is essentially an agricultural land, that we should be a people of the vastest agricultural interest in the world and that our foremost citizens should be our gardeners, our shepherds, our laborers in the vineyard.

We cannot expect our poor, our sick, our unfit, our hungry in the city to get together and say how fine a thing it would be to live in the country, to train their children to be contented farmers—this is quite beyond them; we have only to realize how far it is beyond ourselves even as thinking people. It is

our business today if we know how to think, to go among these people with the message, to find out just what openings there are throughout the country, just what can be done with the city's hungry surplus, to form a connection between them and the new rural life and see to it that not only is it made possible for them to become a part of this life, but to help them see the truth so that they want to get there, and that after they reach the promised land, it shall in truth make good to them.

It would be impossible to imagine anything more horrible than that we should awaken in the poor and needy a love of the country, that we should tell them the realities of what it holds for them and then in some dreadful way gather them up and take them away to nature's heart only to exploit them for man's gain. This has been done many times to the poor who come to us from other lands full of hope and courage. We have exploited them in our mines, in our railroads, in our sweatshops; but let us make good to them in our gardens; let nature recompense them and reward them for coming to us; let nature feed them when our cities fail, let our gardens grow to be not only the hope of the poor, but the hope of the nation.

At the very start we could begin this work, in fact it has already been begun, by finding vacant city lots, roofs and back-yards in which the city poor may work. This can be done with profit to the city, with wages for the poor; and if such work is properly supervised, the first lesson in gardening to men, women and children can be given in the environment of the city in which they have been starving. Already this has been proved practicable, and if the mayor of every town, the civic improvement societies, the schools, the employment bureaus, the owners of vacant land, the public spirited, young and old, would join hands in a Universal Garden Movement, nothing could stay the success of the work. The bread line would become an ugly tradition and charity organization a forgotten blight on our civilization. It is not necessary to speak of what would be accomplished in the way of actual health and strength and contentment. Every child belongs in a garden and every woman who is doing her own housework has a right to look through the window of her kitchen out into her garden, and every man who cares for his wife and children should eventually become a landowner with his house resting on the soil which he has won by his own activity. We have come a long way from such

a condition as this, but the final prosperity of the country demands a return to it, or possibly, an *advance* to it, for we do not wish to see again the old, sordid, sad New England farming days in which the people and the soil seemed struggling one against the other. We want the new garden spirit, where the people cultivate what the world needs and the world in return gives abundantly to the source of its comfort and profit.

Chicago Municipal Markets Commission Report: p. 10-15. 1914

The Number of Unemployed

Very little attention has been given to the gathering of statistics on the subject of Unemployment in the United States. Such statistics as have been gathered should be examined with considerable caution, both as to their reliability and the deductions which may be inferred from the same.

It is not intended in this report to extensively treat of the number of the unemployed, save to point out certain prominent characteristics of the problem as shown by the statistics thus far collected on the subject. Estimates intended to show the number of jobless men and women cannot even be called approximately correct or exact. It has been well stated that the real number of the unemployed in the United States, or in any city, is known to no one, nor can anyone know from the present tabulated facts. Whatever statistics have been gathered are mere indications, far from complete, of the vastness and the gravity of the problem of Unemployment.

In endeavoring to give the number of the unemployed in the United States, it should be premised that on account of the scarcity of statistical data available at the present time on this subject, any estimate which may be made for the United States as a whole, or for the city of Chicago, should be considered as indicating but relatively the amount of possible Unemployment. The source of statistical information on the subject of Unemployment in the United States during recent years are chiefly the following:

1. The United States census reports.
2. A report on the cost of living contained in the Eighteenth Annual Report of the United States Commissioner of Labor.
3. Reports of Unemployment among organized workmen in

New York and in Massachusetts, issued by the Department of Labor in New York, and the Bureau of Statistics in Massachusetts.

4. Reports of unofficial bodies and persons.

The statistics on Unemployment collected by the United States Census Bureau are very meager and are accompanied with a careful warning by the bureau as to their reliability. The United States census reports for 1890 and 1900 gave the number of persons ten years of age and over who were ordinarily engaged in remunerative labor. These returns do not indicate what proportion of the population is habitually out of work on account of incapacity, unwillingness to work, or constant inability to find work.

The statistics show that in 1890, there were 23,318,183 persons ten years of age and over engaged in gainful occupations. Of this number, 3,523,730 persons, or 15.1 per cent of the total were unemployed. In 1900, the total number of persons ten years of age and over engaged in gainful occupations, as reported by the census, was 29,073,233, and of this number 6,468,964 persons, or 22.3 per cent of the total number, were unemployed. The 1900 census, showing the number of unemployed persons in the United States, found that of the 5,227,472 males unemployed during the census year, 2,593,136, or 49.6 per cent of the total number, were unemployed from one to three months during the year; 2,069,546 persons, or 39.6 per cent of the total number, were unemployed from four to six months during the year, while 564,790 persons, or 10.8 per cent of the total number, were unemployed from seven to twelve months during the entire year. Of the 1,241,492 women unemployed during the 1900 census year, it was found that 548,617, or 47.1 per cent of the total number, were unemployed from one to three months during that year; 45,379, or 39.1 per cent, were unemployed from four to six months, while 171,496, or 13.8 per cent, were unemployed from seven to twelve months. These figures are briefly summarized in the census report thus:

> It appears that approximately four persons out of five who claim gainful occupations were continuously employed throughout the census year, while the fifth person was idle for a period varying from one to twelve months.

There is no means of knowing from the above figures what per cent of these persons was idle from choice and what per

cent wanted work and was unable to secure it. The figures include all persons ten years of age and over ordinarily employed, and so include many children attending school for a part of the year. The general report and analysis of the Census Bureau of Manufactures in the United States in the year 1909 contains data which may be considered in a study of the amount of Unemployment. The number of persons employed during the census year in all manufacturing industries is shown in the census report, while the fluctuations in the monthly demand for workers in manufacturing industries do not show how many are unemployed during any month, inasmuch as these may find work in other branches of trade and industry. They do show, however, seasonal, discontinuous demand for labor and for this reason are valuable.

The following table shows by months the number of wage earners reported for all manufacturing industries in the United States in the year 1909:

Wage Earners in Manufacturing Industries in the United States in 1909

Month	Number	Per cent of Maximum	Number of Unemployed
January	6,210,063	88.6	796,790
February	6,297,627	89.9	709,226
March	6,423,517	91.7	583,336
April	6,437,633	91.9	569,220
May	6,457,279	92.2	549,574
June	6,517,469	93.0	489,384
July	6,486,676	92.6	520,177
August	6,656,933	95.0	349,920
September	6,898,765	98.5	108,088
October	6,997,090	99.9	9,763
November	7,006,853	100.0	.....
December	6,990,652	99.8	16,201

According to this table the maximum number of wage earners reported as unemployed in manufacturing industries was 7,006,853 during the month of November and the smallest number, 6,210,063, in January, being 796,790, or 11.4 per cent, less than the total number employed in the maximum month of November. During the year there was a fairly constant increase in employment from January to November, except that the number employed in July was a little lower than in June. This increase doubtless resulted, in part, from a normal growth of

industry during the year, and, in part, from the general improvement in industrial conditions which took place particularly during the latter half of the year. The number employed during the maximum month of employment, November, does not indicate all persons seeking a livelihood in manufacturing industries, inasmuch as some workers were necessarily unemployed during this same month on account of sickness, disability or strikes and probably some were unable to obtain work.

The Department of Labor of the state of New York has published data showing the extent of Unemployment among organized workers in that state for a continuous period extending from March, 1897, to the present time. These statistics, it must be kept in mind, are of two classes, namely, those furnished by certain selected or representative unions, numbering about two hundred, and constituting about one-fourth of the total organized workingmen in the state, and those furnished by all unions in the state. The enumeration classifies idleness into three divisions, such as idleness due to labor disputes, disability, and to Unemployment, which is principally due to lack of work. For the purposes of this report, it is but necessary to consider the statistics relating to the last classification. These statistics reflect the demand for labor, inasmuch as the leading causes of such idleness, due to lack of work, are general and seasonal industrial and business conditions. Below is given a comparative table, showing the monthly percentages of idleness, due to lack of work, in representative unions in New York state:

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mean for Year
1904	22.0	18.8	18.9	12.7	10.9	10.8	8.6	7.7	6.3	6.4	7.1	15.4	12.1
1905	18.0	15.3	14.6	8.2	5.9	6.7	6.3	5.4	4.4	3.6	4.0	9.2	8.5
1906	11.8	12.4	8.9	5.0	4.1	3.2	4.7	4.0	4.3	4.5	5.3	13.3	6.8
1907	19.0	17.4	15.5	8.5	7.7	6.2	5.4	7.7	9.6	16.1	20.0	30.5	13.6
1908	35.1	35.9	35.9	32.2	30.6	28.6	25.2	22.2	23.0	21.3	20.0	25.9	28.0
1909	26.4	24.6	21.2	15.1	12.7	13.1	10.0	8.2	11.0	9.6	9.5	17.7	14.9
1910	16.5	15.5	17.4	12.6	11.8	11.7	8.1	7.5	8.4	13.4	15.0	25.6	13.6
1911	24.9	22.9	24.1	19.6	24.0	17.7	13.1	9.5	8.9	9.8	17.6	31.9	18.7
1912	24.4	16.1	17.4	11.9	18.5	21.0	19.0	6.3	4.9	6.0	14.1	23.1	15.2
1913	17.5	13.2	20.7	20.4	21.7	20.9	19.7	18.2	15.0	18.1	26.1	38.8	20.9
1914	31.0	29.3	26.5	22.4	21.4	24.3	....	....	....	....	....	....	25.8[a]

[a] Mean for six months.

The foregoing statistics show that the greatest lack of work in the trade unions occurred during the six-months' period from

October 1 to April 1, after which period normal business and trade conditions again prevailed. They also show that no matter how favorable such business and trade conditions may be, there still is a considerable residuum of Unemployment, due to lack of work, even in the best years.

Emphasis is also given to the claim made before your commission that during every decade there are two years of unusual Unemployment. Mr. William M. Leiserson, formerly superintendent of the Wisconsin Free Employment Offices, and the expert investigator of the New York State Committee on Unemployment, stated, at a public hearing of your commission, that:

> **Out of every ten years—it does not make any difference what ten years —two bad years will be noted of more or less depression in industries and of people who are out of work.**

The striking phenomenon is brought out by the New York statistics of a return at fairly regular intervals of periods of high Unemployment. The table indicates that union labor in New York State experienced two periods of high Unemployment during the decade from 1900 to 1910, one period of maximum Unemployment being in 1903 and 1904 and another beginning in 1907 and extending through the year 1908 into 1909. Between these years of high Unemployment there was a period of low Unemployment. From the middle of 1909 to the end of 1912, the percentage of idleness was relatively low. The statistics furnished to the New York State Department of Labor by all labor unions in the state show the causes of idleness in all labor organizations at the end of the months of March and September, during the years 1910-1913, with the percentages for each class of idleness during these years:

Causes of Idleness in All Labor Organizations

Cause	Number				Percentage			
	1910	1911	1912	1913	1910	1911	1912	1913
End of March—								
Lack of work	42,010	79,866	71,813	78,196	66.8	82.7	80.0	80.2
Lack of material	2,667	548	476	1,364	4.2	0.6	0.5	1.4
Weather	7,329	8,544	8,834	5,799	11.7	8.8	9.8	6.0
Labor disputes	6,864	3,289	4,197	7,025	10.9	3.4	4.7	7.2
Disability	3,838	3,752	4,086	4,328	6.1	3.9	4.6	4.4
Other causes	56	450	133	651	0.1	0.4	0.2	0.7
Cause not stated	87	159	179	135	0.2	0.2	0.2	0.1
Total	62,851	96,608	89,718	97,498	100.0	100.0	100.0	100.0

Cause	Number				Percentage			
	1910	1911	1912	1913	1910	1911	1912	1913
*End of September—								
Lack of work	39,307	39,959	24,798	93,495	62.3	79.3	71.1	92.4
Lack of material	2,450	680	279	667	3.9	1.3	0.8	0.7
Weather	163	493	237	493	0.2	1.0	0.7	0.5
Labor disputes	17,646	5,699	6,057	1,855	28.0	11.3	17.4	1.8
Disability	3,216	3,336	3,199	4,321	5.1	6.6	9.2	4.3
Other causes	181	128	93	248	0.3	0.3	0.3	0.2
Cause not stated	143	95	166	70	0.2	0.2	0.5	0.1
Total	63,106	50,390	34,829	101,149	100.0	100.0	100.0	100.0

The foregoing table shows the predominant cause of idleness among the trade unions in New York state during the fall and winter months is lack of work. These statistics but corroborate the assertion made by Mr. John Fitzpatrick, president of the Chicago Federation of Labor, at a public hearing of this commission, that:

> During the summer months, or from April until November, conditions among the organized trades are very good, unless in the case of a big strike or a disturbing influence of that character.

It should be remembered that the figures shown in the last table include all union workers in the state of New York who, on December 31, 1913, numbered 627,094, belonging to approximately 2,500 different unions.

While the New York figures tend to establish the probability that periods of high Unemployment will recur every four or five years, they do not, however, clearly bring out the fact that Unemployment is by no means constant, but that it varies from month to month with each season of the year and from year to year. That the wage earner is more or less at the mercy of business and trade fluctuations should disprove the statement often made that all men and women who desire work can obtain it, and that those who are idle and able to work, are idle from choice. If the Unemployment of able-bodied human beings were due solely to laziness or unwillingness to work, the number of the unemployed would palpably remain about constant, not many more persons being sick, disabled, or lazy in winter than in summer, and it is evident that there were no more in this class in 1904 and 1908 than in the intervening years; still from two to three times as many trade unionists in New York and in Massachusetts were idle at the end of March as at the end of

September, each year, and only about one-half as many were idle in New York in the year 1905 as in the year 1904, while the number unemployed in 1906 was still lower. Four times as many were reported unemployed in 1908 during the last days of both March and September as in the year 1906. Only 4.8 per cent of all union workingmen in New York state were reported idle in September, 1905, while six months later, in March, 1906, the percentage was twice as great. It is evident that laziness or physical incapacity do not increase or decrease in the ratios and according to the seasons just given.

Labor conditions in New York state require more workers in September than in March, and the demands of industry were greater in the years 1905-1906-1907 than in 1904 and 1908. It should be noted that the high Unemployment among trade unions during the winter months is probably due to the fact that weather is a very important factor at this time.

The Committee on Unemployment of New York state says:

> From the evidence before us we can say with certainty that there are at all times able-bodied wage earners out of work in every city of the state; that the number varies from month to month and from year to year; that it grows larger during the winter and during the years of industrial depression and reaches tremendous proportions every fifteen or twenty years. A conservative estimate would be that in ordinary years of business activity, the lowest number out of work is about 3 per cent of the wage earners regularly employed in the industries of the state, while during the winter months the number would rise to 8 or 10 per cent. In a year of business depression like 1908, the number out of work ranges from 15 to 30 per cent.

This same committee, in a census taken of the number of employees working on the 15th day of each month during the year 1909 in 759 industrial establishments of the state, found that there is considerable fluctuations in the amount of employment each month during the year. The following is the table:

Month	All Industries 1909	Number Unemployed 1909
January	321,861	43,362
February	323,772	41,451
March	329,221	36,002
April	332,952	32,271
May	335,030	30,193
June	337,888	27,335
July	337,824	27,399

Month	All Industries 1909	Number Unemployed 1909
August	340,389	24,834
September	346,360	18,863
October	348,104	17,119
November	365,223	.....
December	363,406	1,817

Over 95 per cent of the employers of the industrial establishments enumerated, stated that the monthly fluctuation in the number of their employees was due to industrial and trade conditions, lack of orders, seasonal work, and the like.

Mr. Luke Grant, in the Annals of the American Academy of Political and Social Science for March, 1909, gives statistics taken from the official reports of the Amalgamated Society of Carpenters and Joiners for the year 1908, which show to what extent its members are unemployed:

Month	Number of Members	Number Receiving Full Benefit	Per Cent	Number Receiving Partial Benefit	Per Cent
February, 1908	3,496	1,024	29.2	248	7.09
June, 1908	3,350	356	10.6	233	6.9
September, 1908	3,123	176	5.6	125	4.0

Mr. Grant observes that the above statistics do not show the total number of unemployed because many members of the society entitled to benefits do not claim them, and the rules provide that a member must be four successive days out of employment before he becomes entitled to a benefit. These figures therefore do not show short periods of time lost of less than four days' duration, but they do show conclusively every idle workman for periods longer than four days, and the figures, in consequence, show the minimum amount of idleness prevailing in the society. In reality, it is undoubtedly considerably greater.

Beginning with March, 1908, the Massachusetts Bureau of Statistics has also obtained statistics of Unemployment of organized labor. While the Massachusetts data is not as complete as that for the state of New York, still the amount of Unemployment is shown for a given day. The returns are received from approximately 66 per cent of the labor unions representing, it is estimated, 67 per cent of the aggregate membership of all unions in the state. In the following comparative statement,

data is given showing the number and membership of organizations reporting to the Massachusetts Bureau since the collection of returns was inaugurated and the number of members unemployed owing to lack of work or material:

Quarters ending—	Number Reporting		Unemployment Owing to Lack of Work or Material	
	Unions	Membership	Members	Percentages
March 31, 1908	256	66,968	10,832	16.2
June 30, 1908	493	72,815	9,128	12.5
September 30, 1908	651	83,969	7,349	8.8
December 31, 1908	770	102,941	11,302	11.0
March 31, 1909	777	105,059	9,980	9.5
June 30, 1909	780	105,944	4,913	4.6
September 30, 1909	797	113,464	3,873	3.4
December 31, 1909	830	107,689	5,248	4.9
March 31, 1910	837	117,082	6,186	5.3
June 30, 1910	841	121,849	6,570	5.4
September 30, 1910	845	118,781	4,687	4.0
December 31, 1910	862	122,621	8,938	7.3
March 31, 1911	889	122,002	9,120	7.5
June 30, 1911	897	135,202	5,669	4.2
September 30, 1911	975	133,540	4,904	3.7
December 31, 1911	905	125,484	7,568	6.0

The percentage of Unemployment owing to lack of work or material represents more accurately the actual industrial conditions than the percentage of Unemployment for all causes and may be considered as the proper index of industrial prosperity or depression. It should be borne in mind, in a consideration of the statistics shown in these tables, that union men are much more likely to be regularly employed than unskilled workmen, and that, therefore, the per cent idle among union men is much lower than among industrial workers as a whole. However, the assertion has been made that the skilled man will hold out for a job in his own particular line and would rather be unemployed than work below the regular scale of wages, while the unskilled man will take anything he can find and more readily adjust himself to a fall in the market.

The report made by the Massachusetts Bureau of Statistics on Unemployment among Organized Wage Earners for the period ending June 30, 1914, shows that the principal cause of Unemployment at the close of the first six months of this year was lack of work or material, the percentage of unemployed

for this cause being 6.9, as compared with 4.3 June 30, 1913. The following is the table:

Causes of Unemployment	Unemployed June 30, 1914 Number	Unemployed June 30, 1914 Percentages	Percentages Returned as Unemployed March 31, 1914	Percentages Returned as Unemployed June 30, 1913
Lack of work or material	12,576	6.9	9.2	4.3
Unfavorable weather	530	0.3	0.7	0.1
Strikes or lockouts	1,326	0.7	0.6	0.7
Disability (sickness, accidents or old age)	2,268	1.2	1.6	1.2
Other causes	1,422	0.8	0.8	0.1
Total	18,122	9.9	12.9	6.4

American Labor Legislation Review. 4. May 1914

Operation of Public Employment Exchanges in the United States

Provision for public employment exchanges has already been made in the United States by nineteen states and by fifteen municipalities. These, with the year of the law and the number and location of the offices are:

Colorado, 1907, four offices—Colorado Springs, Denver (two offices), Pueblo.

Connecticut, 1905, five offices—Bridgeport, Hartford, New Haven, Norwich, Waterbury.

Illinois, 1899, eight offices—Chicago (three offices), Rockford, Rock Island, Springfield, East St. Louis, Peoria.

Indiana, 1909, five offices—Evansville, Fort Wayne, Indianapolis, South Bend, Terre Haute.

Kansas, 1901, one office—Topeka.

Kentucky, 1906, one office—Louisville.

Maryland, 1902, one office—Baltimore.

Massachusetts, 1906, four offices—Boston, Fall River, Springfield, Worcester.

Michigan, 1905, five offices—Detroit, Grand Rapids, Jackson, Kalamazoo, Saginaw.

Minnesota, 1905, three offices—Duluth, Minneapolis, St. Paul.

Missouri, 1899, three offices—Kansas City, St. Joseph, St. Louis.

Nebraska, 1897, one office—Lincoln.

New York, 1914—(Not yet in operation.)

Ohio, 1890, five offices—Cincinnati, Cleveland, Columbus, Dayton, Toledo.

Oklahoma, 1908, three offices—Enid, Muskogee, Oklahoma City.

Rhode Island, 1908, one office—Providence.

South Dakota, 1913, one office—Pierre.

West Virginia, 1901, one office—Wheeling.

Wisconsin, 1901, four offices—La Crosse, Milwaukee, Oshkosh, Superior.

During the last two years Colorado has increased from three offices to four, Illinois from six offices to eight, Indiana from one office to five, and Massachusetts from three offices to four.

The employment exchanges maintained by municipalities are located in Phoenix (Arizona), Los Angeles and Sacramento (California), Kansas City (Missouri), Butte, Great Falls, and Missoula (Montana), Newark (New Jersey), New York (New York), Cleveland (Ohio), Portland (Oregon), and Everett, Seattle, Spokane and Tacoma (Washington).

AFFIRMATIVE DISCUSSION

New Republic. 1: supi-8. December 26, 1914

A National System of Labor Exchanges. John B. Andrews

"The first step toward a solution of the problem of Unemployment is the organization of a connected network of public employment exchanges."

This was the most emphatic point in the resolutions adopted by the First National Conference on Unemployment when it summed up the results of its two days' deliberations in New York last February. The conference, held under the joint auspices of the American Association for Labor Legislation and the American section of the International Association on Unemployment, was composed of delegates from twenty-five states and fifty-nine cities. Among those who took part were representative trade-unionists, employers, economists and government officials. Their reports on the state of employment in their respective localities formed a solid foundation for the discussion of constructive remedies. The conference not only made suggestions for further investigation and recommendations for expansion and improvement of state and municipal labor exchanges, but voted unanimously to urge that in the federal Department of Labor there be established a bureau "with power to establish employment exchanges throughout the country, to supplement the work of state and municipal bureaus, to act as a clearing house of information and promote the distribution of labor throughout the country."

Shortly after the conference in February the New York Board of Aldermen adopted an ordinance providing for a municipal employment bureau in the chief city of the country, The office, opened for business on November 19, 1914, is the best equipped in America. Mr. Walter L. Sears, for eight years head of the Massachusetts system, is its efficient superintendent. The state legislature in New York, also, at its session closing at the end of March passed a bill which provides for a state system of free employment bureaus. Other cities and states

have for many years been developing similar agencies, and the question now before the country is that of forging into the chain the necessary third link, a federal system of public labor bureaus to cooperate with the state and municipal exchanges.

It is apparent to any one who knows anything about the subject that our labor market is unorganized and that there is a tremendous waste of time and energy in the irregular and haphazard employment of workers. It is this very great social waste which we are just beginning to appreciate, but every method for overcoming it so far tried in America has been painfully inadequate.

The first and simplest method of bringing workmen and work together is by unsystematic individual search. A man not recommended for a position by a relative or friend often follows the easiest course, that which involves the least immediate expenditure of money and thought. He starts from home and drops in at every sign of "Help Wanted."

"Help Wanted," scrawled on a piece of cardboard, is the symbol of inefficiency in the organization of the labor market. The haphazard practice of tramping the streets in search of it is no method at all. It assures success neither to the idle worker in his search for work, nor to the employer in his search for labor. On the contrary, by its very lack of system, it needlessly swells the tide of Unemployment, and through the footweary, discouraging tramping which it necessitates often leads to vagrancy and to crime.

It is impossible to reckon the cost to the community of this methodless method. Beyond the tremendous waste of time, there is the waste incurred by putting men into the wrong jobs. The law of chance decrees that, under such lack of care, misfits must be the rule; and society now permits the daily process of attempting to fit a round peg into a square hole.

A second common method of connecting employer and employee is through the medium of advertising. About 2,000 newspapers published in New York state carry every year some 800,000 columns of "Help Wanted" and "Situation Wanted" advertising, at a cost to employers and employees estimated at $20,000,000—an expenditure of about $5 for every worker in the state. If the money spent brought commensurate results, there would be less ground for complaint. But at present an employer advertises for help in several papers, because all the workers

do not read the same paper. The employee lists the positions advertised, and then starts on the day's tramp. At one gate fifty or a hundred men may be waiting for a single job, while in other places a hundred employers may be waiting, each for a single employee. Unnecessary duplication of work and expense by both parties is apparent. In addition to the expense, newspaper advertising also possesses inherent possibilities of fraud—210 formal complaints of this particular sort have been investigated by the New York City commissioner of licenses in one year. It is difficult for the newspaper, even if it always tries, to detect misrepresentations, and misrepresentation breeds distrust. The victimized employee very rarely seeks legal redress. Either he is ignorant of his rights, or the game is not worth the candle to a man who owns but one property, labor, upon the continuous sale of which he is dependent for existence.

Philanthropic employment bureaus fail mainly because of the taint of charity which justly or unjustly clings to them, and have become for the most part merely bureaus for placing the handicapped. Self-reliant workmen are inclined to shun such agencies, and employers do not generally apply there for efficient labor. Charging small fees or none at all, these offices are unable to compete with the more active private agencies which spend large sums of money developing clienteles among employers and employees. Trade union "day rooms" and offices maintained by employers' associations have to contend with mutual distrust, while their benefits are at best limited to one trade or industry.

Private employment agents, doing business for profit, have sprung up in all large centers, no fewer than 800 of them being licensed in New York City alone. While many of these operate with a reasonable degree of efficiency, their general character is picturesquely if not elegantly indicated by their soubriquet, "employment shark." In the year ending May 1, 1913, the commissioner of licenses of the city of New York reported the investigation of 1,932 complaints against registered employment agents, resulting in nine convictions, the refunding of more than $3,000 to victimized applicants, and the revocation of thirteen licenses. Among the worst evils laid at the door of the private agencies are charging extortionate fees, "splitting fees" with employers who after a few days discharge a workman to make way for a new applicant with a new fee, collusion

with immoral resorts, sending applicants to places where there is no work, and general misrepresentation of conditions.

Only recently the writer heard from a northern New England labor official a harrowing story of the lumber camps, where workers had been sent from private agencies in New York and were fined and imposed upon to an extraordinary degree. Eight men, including a printer, a painter and a clerk, were sent by another New York private employment agent to what was described in their contracts as "construction work, machinist and contract work." The men found themselves in a Pittsburgh steel mill, before the furnaces. Physically unable to do the work required of them, they had to apply to the office of associated charities for assistance in finding work at their trades. Although an investigation was made, New York state was unable to take any action, as none of the complainants was within its jurisdiction. Such examples could be multiplied almost indefinitely.

Public employment bureaus, designed partly as an offset to the abuses of the private agencies, date in America from 1890, when Ohio authorized the first state system. Today there are between seventy and eighty such bureaus, maintained by nineteen states and by a dozen or more municipalities. These offices (with one backward exception) charge no fees, maintain a neutral attitude in time of labor disturbances, and fill positions, according to the official reports, at a cost ranging from 4 cents to $2 apiece. In Wisconsin, where there are four state exchanges well organized on the most approved lines, the cost in 1911 was about 35 cents per position filled. In Illinois, during the twelve years 1900-1911, there were 589,084 applications for employment, 599,510 applications for workers, and 512,424 positions filled. Illinois now appropriates over $50,000 a year for direct support of its state labor exchanges, of which eight have already been established.

Notwithstanding the work of a few, these public bureaus are still far from furnishing an adequate medium for the exchange of information on opportunities for employment. Fewer than half the states are represented. Many of the managers are political place-holders of worse than mediocre attainments. Some of the offices exist only on paper. A uniform method of record-keeping has yet to be adopted. Statistics are non-comparable, and frequently unreliable if not wholly value-

less. There is practically no interchange of information between various offices in a state or between states. In short, workmen are still undergoing want, hardship and discouragement even though often within easy reach of the work which would support them, if they knew where to find it.

Nor does the evil end there. Every one who has studied the problem realizes that method and system in putting men and opportunities for work in touch with each other will not of themselves prevent over-supply of labor or of jobs. They will do so no more than the cotton exchange guards against an over- or an under-supply of cotton. They will serve merely as levelers in the scales of labor supply and labor demand. Besides the Unemployment which is due to the failure of men and jobs to find each other, there is much due to other causes which even the best system of employment exchanges would not directly eliminate.

But every one realizes that these other causes of Unemployment cannot be successfully attacked without a basis in comprehensive, conscientiously collected information such as cannot be furnished by our present machinery for dealing with the problem. Under present methods there exists no automatic, cumulative means for collecting the facts. That results, of course, in exaggerated statements in both directions. Our paucity of information on this complex and vital question has continued, even though labor problems in one form or another have taken the lead as subjects for legislation. Any scientific law-making on the programs of social insurance—especially Unemployment insurance—and of vocational guidance must be grounded on facts of relative employment and Unemployment of the workers tabulated by trades, by sexes and by ages. Without a nation-wide system of labor exchanges, no basis can exist for anticipating in an accurate manner the ebbs and flows of the demand for labor. Without concentration of the information now collected and now held separately in thousands of separate organizations throughout the land, the possibility of looking into the future, or of profiting by the past, is out of the question.

It was a growing realization of the foregoing facts which inevitably led to the demand for a federal system of public employment bureaus. Such a system would cover the whole country. Without superseding either the state or the municipal exchanges already in existence, it would supplement and assist

the work of both, dovetailing them with its own organization into an efficient whole. Country-wide cooperation and exchange of information would then be an accomplished fact instead of merely a hope. Statistics for the study of Unemployment and for the progressive development of new tactics in the campaign against it would be coextensive with the national boundaries and comparable between different parts of the nation. The regulation of private agencies would be a natural function of the federal bureaus, and the troublesome "interstate problem" would be solved by an interstate remedy. Finally, the greater resources at the disposal of the federal government would provide better facilities for carrying on the work than the states could provide, and would command the services of more able social engineers than are found in most of the state exchanges at present.

To the question of whether such a system is feasible, the answer is that Great Britain already has one. The successful British national labor exchanges, established by the act of September 20, 1909, already form the most thoroughly organized and most widespread system of their kind in the world. Work was begun in February, 1910, with eighty-two agencies. By July, 1913, in the eight administrative districts into which the country was divided there were 430 agencies, staffed by full-time officers, with which were connected 1,066 local agencies for the administration of Unemployment insurance. The total regular staff of these 1,496 offices was 3,536 persons, of whom about 600 were women.

The following table shows the number of applications for employment, the number of vacancies notified by employers, and the number of vacancies filled, for specified months since the system has been in operation:

GROWTH OF OPERATIONS OF BRITISH LABOR EXCHANGES, BY SPECIFIED MONTHS

Month	Applications for Employment	Vacancies Notified by Employers	Vacancies Filled
March, 1910	126,119	.....	20,395
March, 1911[1]	142,382	47,811	37,711
March, 1912	178,317	72,650	55,650
March, 1913	209,901	95,862	68,783
March, 1914	222,204	99,089	74,578

[1] Five weeks.

The following table shows the usefulness of the exchanges for the first four years of their existence:

GROWTH OF OPERATIONS OF BRITISH LABOR EXCHANGES, BY YEARS

Year	Applications for Employment	Vacancies Notified by Employers	Vacancies Filled
1910[1]	1,590,017	458,943	374,313
1911	2,010,113	886,242	719,043
1912	2,423,213	1,286,205	1,051,861
1913	2,739,480	1,158,391	874,575

[1] Eleven months.

The percentage in 1912 of vacancies filled to vacancies notified was 77 per cent (men, 81.1; women, 73.2; boys, 67.4; girls, 73.4).

In Germany there are 323 public bureaus, all maintained by municipalities, it is true, but bound together in a national system which harmoniously operates throughout the empire. In France and in Switzerland also, not to mention other less important countries, government subsidies are offered to local exchanges which conform to certain national laws. The suggestion of a national system of public employment offices for this, perhaps the most highly developed industrial nation of the world, comes therefore not as an untried notion, but as a workable, proved possibility. The only question is one of method.

To combine into an efficient organization the results of the ripest experience, a national bureau of employment should comprise three main divisions: (1) the central office at Washington; (2) a number of district clearing houses; and (3) the local labor exchanges.

Let us briefly sketch the special functions of each.

The central office, from its vantage point in the national capital, and as an integral part of the federal Department of Labor, would have the task of organizing the entire system, coordinating its various elements, and supervising its operation. The first activity in connection with such a national bureau is the establishment and conducting of public labor exchanges. These should be built up, with careful regard to existing state and municipal bureaus, as rapidly and in as many parts of the country as circumstances require and as finances permit. The number and location of exchanges need not be constant, but can be varied in accordance with the needs of the labor market, inactive offices being closed and new ones being established in prom-

ising localities. Nor should the bureau be limited to establishing its own agencies. Very frequently exchanges are initiated by states or municipalities, which occupy strategic points but which through shortage of funds or perhaps through improper management do not make a "go"; these the federal bureau should be able to take over at its discretion, by mutual agreement. Whether private agencies should also in some cases be taken over is less certain, but there are arguments in favor of that. Still another possibility is that of joint action by the federal bureau and an interested state, county, or city, to maintain in cooperation an employment bureau where needed, each furnishing part of the funds. Such an arrangement has for several years existed between the state of Wisconsin and the city of Milwaukee with results eminently satisfactory on both sides. State agricultural or immigration departments might also be eager to enter into an agreement of this nature.

A second large duty of the federal bureau would be that of cooperating with, encouraging, assisting, and to some extent regulating all the public employment offices conducted by other subdivisions throughout the country—state, county, town or village. The lack of cooperation, the failure to interchange information of vital importance to workmen and employers, is one of the sad features of the public employment bureau situation at the present time. Here is a great field for the standardizing activities of a federal bureau. The scattered public agencies must be brought into full cooperation with the federal system and with one another. Information of industrial opportunities must no longer be locked within the four walls of each office, but must flow freely to other offices and to other states. In the hands of the proposed federal bureau more than in any other agency lies the opportunity of bringing order out of the present chaos. It could devise, in cooperation with public employment officials, a standard record system, encourage its adoption by the various agencies, and assist them in installing it. It could encourage the adoption of a uniform method of doing business and of appraising results. There is even a suggestion that the federal government offer a money subvention to state and city exchanges which conform to the federal rules, as in France and Switzerland. If this step is inadvisable, the same result might be attained by penalizing nonconforming exchanges by refusing to cooperate with them.

A third duty of a federal employment bureau would be the division of the country into districts and the inauguration therein of district clearing houses. The United Kingdom, with an area only one twenty-fifth as vast as ours, has been divided for the purposes of administering its employment bureau system into eight districts—six for England and Scotland, one for Wales, and one for Ireland. The duties of clearing houses in the American system will be discussed later.

Fourth among the duties of the central office would be to carry on a campaign of the fullest possible publicity on the condition and fluctuations of the country's labor market. For this campaign it would draw upon the information contained in the short-interval reports of the local exchanges and of the clearing houses, and it should also be empowered to engage, in localities where neither of these exist, special correspondents. The information of labor supply and demand thus secured could then be compiled and published in a number of attractive ways which opportunity and ingenuity will suggest.

Periodical bulletins should present "the information gathered through the labor exchanges about the state of the labor market in different parts of the country," and should combine therewith other facts essential to the workman who is considering a position. Chief among these facts may be mentioned wage rates and cost of living in the different districts, expansion or decay of trades or industries, important strikes and lockouts, business booms or depressions, and any other occurrences tending toward either abnormal under-supply or over-supply of labor. The bulletin and other information should be printed in such languages as will most enhance their usefulness.

The fifth and last important function of a federal employment bureau is the troublesome one of regulating private employment agencies. The American Association of Public Employment Offices, at its second annual convention in September, 1914, went on record as recommending the abolition of all such offices operating for profit. An initiated measure which would accomplish practically the same result was carried at the November election in the state of Washington. Whether we are yet prepared to go as far as that, considering the inadequacy of our present public employment bureaus, is disputed by many students of the problem; but in no quarter is there lack of recognition of the need for stringent regulation. Agencies which confine

their operations to jobs and men within the state are under state jurisdiction. But these are only a small part of the total number. Most private bureaus engage also in "the business of securing work to be performed outside the state where the business is carried on and which involves the transportation of the workman from one state to another." Engaging in such interstate business brings an agency properly under federal control.

The district clearing houses already mentioned are quite distinct from the local labor exchanges, and must not be confused with them. The clearing house finds no positions. Its functions are to exchange information between the local exchanges, and between other correspondents in its district, to receive daily reports from all public exchanges within its jurisdiction and reports from private agencies at least weekly, and to compile and publish these data for its district. It also carries on an interchange of information with the clearing houses in other districts. It is the channel through which all the offices in its district would keep in constant touch with the national headquarters, and also through which information from Washington would reach the district.

The functions of the ultimate units in this system, the local labor exchanges, may all be summed up in the words "bringing together workmen of all kinds seeking employment and employers seeking workmen." The good superintendent of a public employment office will not wait behind his counter for employers and employees to hunt him up and to use his office as a medium for coming together; he will take active steps in the process. By judicious telephoning, issuing circulars, newspaper advertising, newspaper publicity and in other ways he will constantly bring his office to the attention of those who should use it. He will build up a clientele among both parties to the labor contract. In the projected system he should report daily on a uniform blank to the clearing house of his district, which in due season would submit the report to the national headquarters.

Thus the jurisdiction of the projected federal bureau would extend throughout the country over every organized interstate agency for the securing of employment or of workers. Not only its own and other public offices would be amenable to its regulation, but also private money-making enterprises and philanthropic bureaus, in so far as their activities transcended state

borders. In addition to its regulative activities, it would operate exchanges on its own account, build up a clearing house system for employment information, and publish and distribute that information as widely as it could. In short, in the words of Mr. Frank P. Walsh, an advocate of the system, it would "do everything possible to aid in securing the fullest application of the labor force of the country."

In the foregoing hasty summary of the functions of the various essential parts of a national system of employment bureaus, much administrative detail has naturally been omitted.

In selecting the director of so powerful and important a bureau great care would have to be exercised to secure a man of impartiality, character and ability. The New York state employment bureau law requires that the director must have "recognized executive and managerial ability, technical and scientific knowledge upon the subject of Unemployment and administration of public employment offices, and recognized capacity to direct investigations of Unemployment and public and private agencies for remedying the same." Under this provision there was selected as director of the state bureau one of the best equipped men in the country, Mr. Charles B. Barnes. Some such group of qualifications should be embodied in a law establishing a federal system.

The director, superintendents of clearing houses and of branch offices, and all other employees should be under civil service. They should be able to feel secure in their positions as long as their work is faithful and up to the mark. The salaries, however, should most emphatically not be rigidly fixed by law. As a device for killing incentive and interest, and for turning out a body of chair-warmers, a salary fixed by statute and incapable of increase for merit or of decrease for inefficiency has no equal. The rates of pay for subordinates should—within limits, of course—be in the hands of the appointing authority, who can then reward efficiency or penalize its opposite.

Reports of the local exchanges to the clearing houses must be made daily if the information is to be fresh enough to serve any useful purpose. The farmers of the country would little thank the weather man for a neatly lithographed forecast of last week's weather; and a detailed arithmetical report on how many jobs or workers might have been had at some previous

date will be just as little helpful to industrial managers or to employees.

The administrative difficulties which would beset the operation of a system like that here projected would be many. Among the most serious would be that of maintaining a strict balance of impartiality between employers and employees. The establishment of state employment offices has on the whole been favored by workmen, on the ground that it would do away with the abuses perpetrated by the private agencies, and has been opposed by employers on the ground that it would be unduly coddling labor. In the matter of a national system for the United States, however, the main opposition has come from the side of organized labor, which has apparently feared control of the system by the employing class. "Beware of the Greeks when they come bringing gifts," warned President John H. Walker of the Illinois State Federation of Labor, when the project was broached at the New York conference on Unemployment. And he continued: "You know we have been double-crossed and deluded so often that when anything is held out to us the first thing we look for is to see where we are going to get the worst of it; and one of the first things that came to my mind was that it was possible that these well-intentioned people, taking an interest in this question of Unemployment, might organize the labor exchange bureaus in such a way that the entire unemployed army would be mobilized and that the employers would have such access to it as to be enabled to use it at any point, at all times, to break down the things that the organized workers of the country have already established by fighting for them hard and long." Mainly through Mr. Walker's efforts, the resolutions adopted in favor of a federal system contained the proviso that "such distribution shall not cause the deterioration of the present standards of wages, conditions and hours of employment of American workers, or impair their efforts to improve them."

In order to prevent distrust of this sort, which would cause friction and impede the work of the bureau, there should be for the central office and for each of the local exchanges a "representative committee." A representative committee should consist of equal numbers of employers and employees, elected by the respective groups, and should have a disinterested chairman selected by the other representatives jointly. The committees would assist the director and the superintendents in determin-

ing policies and in selecting employees for the offices, insure impartiality in labor disputes, prevent the bureau's being used to depress or unduly elevate wages, and aid in all other matters relating to the management of the bureau. The importance of such committees in gaining public confidence for the bureau cannot be over-estimated. It was recognized by the British labor exchanges act of 1909, and by a French decree of 1911 establishing the conditions under which the more than 150 municipal labor exchanges of that country might share in the government subvention. Without express legislative stipulation, representative committees have under the Wisconsin Industrial Commission become an indispensable adjunct to the public exchanges in that state, and the New York state law of 1914 made them mandatory. By an error of judgment the British act provides that the committees must be appointed by the administrative head of the system instead of being elected by the jointly interested groups themselves, and this error has been followed in the New York law. If the purpose of the committee is to inspire public confidence in the unbiassed conduct of the office, it is evident that the representatives of both parties to the labor contract should be representatives indeed, elected by their constituencies, not "appointed from above."

Perhaps the most controversial point in the administration of the bureau is the policy to be pursued in times of actual labor strife, in the days of strike or lockout. The first Illinois law establishing state exchanges in 1899 was four years later declared unconstitutional because of the provision that applications for help to fill places vacant because of a strike were not to be received. Wisconsin had a similar experience. The healthy instinct of which this prohibitory clause was an unskillful manisfestation has been satisfied in most American exchanges by publicity. The prospective employee is informed of the existence of the dispute at the same time that he is informed of the position, and it is left to him to decide whether or not to take the work. In Massachusetts it is even the practice in case of an industrial dispute to stamp the introduction card which the employee is to present to the employer with the words "There is a strike on at this establishment." Under the publicity policy very few applicants take strike-breaking jobs. Employers and labor union representatives are thoroughly satisfied, and consequently the exchange escapes the

rocks of disaster on either side. In the words of a resolution adopted by the First National Conference on Unemployment, these agencies must be held true to their character as belonging to the public and remain neutral in all trade disputes.

As an important corollary to this, there must be the further provision that no applicant is to suffer any disqualification or prejudice at an exchange if he refuses to accept an offered job on the ground that a strike or lockout exists or because the wages offered are lower than those current in the district for the same work.

Frequently the very man needed to fill a distant position is without the railroad fare necessary to reach it. This problem has been met in some European countries by advances of transportation in certain cases. In America only an inconsiderable number of the public exchanges make any such provision, although several of them act as intermediaries in turning over to applicants, under some system of control, the transportation advanced by prospective employers. Administrative officials of a federal system will no doubt find it necessary to work out an adequate policy of handling such cases.

An important and delicate part of the work of an employment bureau system is the placing of juvenile workers in positions which are suited to their capacities and which will offer opportunities of development and advancement. Unfortunately, among American labor exchanges the possibilities and the duty of this sort of activity are all but unknown. One state, Massachusetts, reports making consistent effort in this direction, and the 1914 New York law devotes considerable attention to the matter, but elsewhere little or nothing is done. This failure to respond to the opportunity to do constructive work is in painful contrast to the English system of close cooperation between labor exchange and school. In Edinburgh, under a special act for Scotland, a division of work has been arrived at between exchange and school by which the latter furnishes the advice and the former furnishes the information concerning situations; an officer of the exchange occupies a room in the school building to facilitate the transfer of information.

The New York state law provides that applicants between the ages of fourteen and eighteen may register at school on special forms, which when transferred to the employment office are to be treated as personal registration. The superintend-

ent of the office and the school principal are to cooperate in finding suitable employments for children, and all this side of the work of the office is to be assisted by a special sub-committee on juvenile employment, consisting of employers, employees, and persons with knowledge of education or of other conditions affecting children. I believe there are great possibilities of cooperation between the school system which trains the child for work, the department of health which grants work-permits, and the juvenile department of the labor exchange which furnishes knowledge of openings for fit employment. A federal measure would be incomplete without some such provisions.

A bill looking to the establishment for the United States of a system as here outlined was introduced in Congress on April 29, 1914, by Representative Murdock of Kansas, and was at once referred to the House Committee on Labor. The bill provides for a Bureau of Employment within the federal Department of Labor, under the direction of a commissioner of employment to be appointed by the President with the consent of the Senate. The original advocates of this legislation favored the creation of representative committees in connection with the offices, as previously urged in a report of the City Club of New York through Mr. Morris L. Ernst, chairman of the Committee on Public Employment Exchanges.

The House Committee hearings upon the measure during June and July evoked widespread interest. Among the organizations whose spokesmen appeared in its favor were such representative bodies as the North American Civic League for Immigrants, the American Association for Labor Legislation, the American Section of the International Association on Unemployment, the Brooklyn Bureau of Charities, the National Religious Citizenship League, the Conference upon Unemployment among Women, the Committee of One Hundred of Massachusetts, and the National Liberal Immigration League.

Action was repeatedly deferred, however, and the bill allowed to languish in committee, to permit the federal Industrial Relations Commission, which publicly announced that it had begun work upon the problem, to bring in a measure of its own, which it was felt would embody the results of wider investigation and more expert opinion. Commission hearings on the subject of Unemployment were held in New York, Chicago,

Seattle, and in other cities. Although the European war threatened a repetition of the wave of Unemployment which caught the country napping in the winter of 1913-1914, the expected measure did not materialize. When, on October twenty-fourth, Congress finally adjourned, both it and the commission had still failed to rise to the obvious emergency. A set of eight "Tentative Proposals" were drafted by the commission and were widely circulated for advice and criticism, but as late as November tenth the statement was made that "the problem of revising this plan is now before the commission, but so far no action has been taken upon a revision."

Obviously this delay prevents the possibility of organizing a national employment bureau to meet the pressing need of the present year. But both Congress and its investigating commission should be spurred to some action without further costly delay.

The proposals as they stand are in most essentials practically identical with those of the Murdock bill, differing principally in greater amplification of detail which, in some instances, might better be left to the administrative officers, and in a few additions, the chief of which is the idea of district clearing houses which has been incorporated in the foregoing outline.

Important as an efficient nation-wide network of public employment exchanges is as a first step in solving the baffling problem of Unemployment, the fact must not for a moment be forgotten that it is but a beginning of the whole solution. For the employable there must be in addition regularized business and adequate Unemployment insurance such as Great Britain has already been farsighted enough to establish. To fill in the gaps caused by the uncontrollable fluctuations of private industry there must be some provision for public work of permanent value to the community. Finally, for the unemployable, there must be a wider development of the relief agency, the hospital, the reformatory and the industrial farm colony.

But here and now the incontestable first duty of Congress with respect to the unemployment problem, which every one now sees lowering upon the country with the approach of bitter weather, is to enact an adequate bill for national labor exchanges.

Congressional Record. 51: Appendix 413-16. May 1, 1914

For a Bureau of Employment. Victor Murdock

Mr. Murdock. Mr. Speaker, I introduced on April 29 last a bill to establish in the Department of Labor, a bureau to be known as the Bureau of Employment. The number of the bill is H. R. 16130. Its purpose is to lessen the amount of Unemployment in the United States.

Among the pressing national problems of the democracy, Mr. Speaker, the problems of labor come first. The estate which it has reached, the high estate to which it aspires, its plans and purposes, are indissolubly part of the vitality of the Republic, and remain and must remain the nation's chief concern. For her, as nowhere else in the world, has labor those governmental processes by which it can blaze its way to the open highway which leads to the attainment of social justice.

That it is blazing its way, all but the willfully blind must see. Inspired by the new doctrine of legal equality and, at the same moment, wrenched from ancient viewpoints by the violent revolution, which labor-dividing machinery, quickened transportation, and immediate communication wrought, labor has kept on its mighty march of progress. No blindness in courts, cushioned in easy precedents, no reluctance in legislatures, no antagonism of the selfish and unseeing elements in society have dismayed labor. The final arbiter of institutions is the prevalent sense of right. Ultimately it writes constitutions, drafts laws, and in the end against the last ditch of special privilege—delay—must interpret them. To this prevalent sense of right, labor directs its suit.

No better index of the progress that has been made may be found anywhere than in the remarkable series of propositions set forth concretely in the national platform of the Progressive Party of 1912, dealing with the rights of labor. The Progressive Party was new, sensitively alive to the problems of the hour, impatient with cant and glittering generality and the platform platitudes of the past. It drove directly to its purpose. It declared:

The supreme duty of the nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledge ourselves to work unceasingly in state and nation for—

Effective legislation looking to the prevention of industrial accidents,

occupational diseases, overwork, involuntary unemployment, and other injurious effects incident to modern industry;

The fixing of minimum safety and health standards for the various occupations, and the exercise of the public authority of state and nation, including the federal control over interstate commerce and the taxing power to maintain such standards;

The prohibition of child labor;

Minimum wage standards for working women, to provide a living scale in all industrial occupations;

The prohibition of night work for women, and the establishment of an 8-hour day for women and young persons;

One day's rest in seven for all wageworkers;

The 8-hour day in continuous 24-hour industries;

The abolition of the convict contract-labor system; substituting a system of prison production for governmental consumption only; and the application of prisoners' earnings to the support of their dependent families;

Publicity as to wages, hours, and conditions of labor; full reports upon industrial accidents and diseases, and the opening to public inspection of all tallies, weights, measures, and check systems on labor products;

Standards of compensation for death by industrial accident and injury and trade diseases which will transfer the burden of lost earnings from the families of working people to the industry, and thus to the community;

The protection of home life against the hazards of sickness, irregular employment, and old age through the adoption of a system of social insurance adapted to American use;

The development of the creative labor power of America by lifting the last load of illiteracy from American youth and establishing continuation schools for industrial education under public control, and encouraging agricultural education and demonstration in rural schools;

The establishment of industrial research laboratories to put the methods and discoveries of science at the service of American producers.

We favor the organization of the workers, men and women, as a means of protecting their interests and of promoting their progress.

The bill creating the Bureau of Employment is directed to the pledge looking to the prevention of involuntary unemployment.

The problem is essentially a national one. The nation has become one market and one workshop. This is the answer to the question why cities and states (and many have attempted the problem) have not attained the success in solving it they set out upon. The effectual unit is the nation and nothing less.

There is involved also in the question a coordination of those decent employment agencies, under governmental license, and the drastic elimination of those agencies which have practiced the most cruel deceptions on men out of work through the absence of national legislation on the subject.

The problem to which we address ourselves is emphatically not the problem of the vagrant, the defective, or the inefficient. The man "out of work" does not argue himself inefficient, and the self-sufficient idle rich in this country who so contend are cruelly, if not consciously, callous to the facts. The problem is an industrial one dealing with the men who want work and the employer who wants workmen. I am not concerned, in this instance, with the loafers in society, either at the top or at the bottom.

I want to bring the man out of a job and the job that is waiting for the man together. I want my nation to know, for the good of the whole industrial problem, more of the real facts in regard to casual labor and seasonal occupation.

I want the inhuman frauds and deceptions which have been practiced upon helpless workingmen, through the absence of such a national supervision as I provide, prohibited.

Is there need of the legislation now? Let me quote from an article by Frances A. Kellor, of the Progressive National Service, a notable student of industrial conditions, who made a survey of the conditions of the unemployed in New York City last February. She writes:

One day this month, in studying how New York City deals with its unemployed, I found a man who was offered an outdoor job and who couldn't take it because he had no shoes or sufficient other clothing. Philanthropy provides a woodyard where he could have earned them.

I saw 250 men huddled in four dark rooms of an employment agency where they had to stand all night because some would have to be turned out if they lay down or sat up.

I trudged with one man to 17 agencies looking for a job, and got back to residential Fifth Avenue to find a man with a job but not knowing where to get a good man.

I saw a saloon that sets out every night in the barroom a counter of sandwiches and a tank of hash and witnessed the mad rush of men who had been without food for days other than the pickings from ash barrels. The saloon expects, when times are good, that the men will repay the favor.

I saw in the waiting rooms of department stores crowds of girls, some of whom lived in so-called working girls' homes, where their doors were locked during the day, shutting them out until night. This was the rule adopted when they were employed and could not be changed when they were without work. I saw, on the other hand, many unfilled requests for domestic workers.

I saw children with their working papers, new to the game of finding work, thrown out on their own resources to make connection where and how they could. I read of the demand for workers from localities which

men could not possibly reach because they did not have the fare to get there.

Now, these thousands of people are not mendicants nor crooks, but honest working men and women. As early as June, and in the fall months, any intelligent government by consulting the employment agencies—the only barometer the country has—could have seen what was coming. In December the ratio of jobs requested, and those offered, was 5 to 1, on a basis of 1,500 applications. One agency reported that out of 200 requests within a month they had filled one place. Another said they had had a "good day" when they placed 4 men out of 60 men.

Now, what is the matter with our labor situation that we let men freeze and starve before we know what is happening? What is the matter with our city that, with its abundant resources, those who have jobs and supplies and those who have neither miss each other within the circumferences of a few blocks? What is the matter with our state and nation that a laborer can not go to the place where a job is waiting? And what becomes of our millions given to charity that the saloon in times of stress becomes the "neighborhood center"?

In this connection I desire to present to the Congress and the country at this time an exceedingly able paper by Elizabeth Read, of New York, incorporating a statement of the reasons for the establishment of the bureau of employment. The paper sets forth present conditions in relation to Unemployment which show that the situation is general and acute; and the reasons why these conditions cannot be remedied by municipal or state action. Her view gains emphasis from the fact that the writer is the legal assistant of the legislative committee of the North American Civic League for Immigrants, New York City. The brief is as follows:

Until comparatively recent years, it has been generally believed in the United States that any man who wanted work could find it. This belief was, in part, a survival from old village conditions, where living was cheap and standards frugal. In part, it was the natural result of the unparalleled advantages of our industrial and economic condition; the stupendous development of agricultural and industrial resources of very large areas made it seem impossible that a man should be unable to find work of some sort to do.

Gradually, however, it became apparent that capable men were out of work. Various reasons were assigned for this—a strike, tariff changes, an election—anything, in short, that would prove that the need was only individual or local, or, if general, still only temporary.

This position was tenable only as long as no official investi-

gations had been made into the subject. About 15 years ago, however, the collection of statistics relating to Unemployment was begun by several federal departments and state commissions and bureaus. The results of these investigations are stated here very briefly.

The 1900 federal census shows that 22.3 per cent of all persons having gainful occupations were not working, either at their regular occupation or at any other, at some time during the census year. The report on Unemployment summarizes as follows, its tables showing the number of persons unemployed in various occupations:

> It appears that approximately four persons out of five who claimed gainful occupations were continuously employed throughout the census year, while the fifth person was idle for a period varying from one to twelve months.

Over 2,600,000 men and nearly 500,000 women were out of work for four to six months, and over 500,000 men were out of work seven months or over.

In 1901 the Federal Bureau of Labor made an investigation into the cost of living of 25,440 families of workmen or persons on salaries of not over $1,200 a year distributed over the United States. The report shows that about half—49.81 per cent—of the 24,402 heads of families were idle for part of the year.

The Geological Survey reports on coal mining from 1890 to 1910 show that workmen in bituminous mines lost from 22 per cent to 43 per cent of their working time annually, and workmen in anthracite mines from 23.7 per cent to 50 per cent, disregarding the year 1902, when the great strike took place.

The committee on Unemployment of the New York state commission, appointed in 1909 to inquire into the question of employers' liability and other matters, said in its report:

> There are no statistics available from which to compute the actual number of those without work. From the evidence before us we can say with certainty only this: That there are at all times able-bodied wage earners out of work in every city of the state; that the number varies from month to month and from year to year; that it grows larger during the winter and during the years of industrial depression, and reaches tremendous proportions every 15 or 20 years. A conservative estimate would be that in ordinary years of business activity the least number out of work is about 3 per cent of the wage earners regularly employed in the industries of the state, while during the winter months the number would rise to 8 or 10 per cent. In a year of business depression like 1908 the

number out of work ranges from 15 to 30 per cent. These estimates do not include all the unemployed. Over and above the percentages here given are the beggars, tramps, and vagrants, who have entirely dropped out of our industries.

What the number of men now unemployed in any given place is no one knows. That the number has been unusually large during the winter of 1913-14 is admitted even by those who challenge the accuracy of estimates made by organizations or investigators.

Industrial centers such as New York City and Chicago have naturally shown the highest degree of Unemployment. Official bulletins published by Commissioner James M. Lynch, of the New York state department of labor, state that the percentage of Unemployment among union workmen was greater in the fiscal year from September 30, 1912, to September 30, 1913, than in any other year since 1896, with the single exception of 1908. Sixteen and one-tenth per cent of the union men reporting to the department were idle on September 30, 1913. Through the winter this percentage rose steadily; on December 31, 1913, it was 38.8 per cent. The percentage of unemployed from July to December was 22.7 per cent—nearly equal to that in 1908, when it was 22.9 per cent. Ninety-two per cent of this enforced idleness was due to lack of work, and only 2 per cent to labor disputes.

These are the figures for New York state. In New York City the percentage was even higher—45.5 per cent at the end of December. As two-thirds of the state's union members in the building industry and over 90 per cent of the members in the clothing trades live in New York City, the number of unemployed in the city reached a very high mark. The number of men applying for shelter at the municipal lodging house was more than double the number for the same months in the preceding years. The Association for Improving the Condition of the Poor reported on February 3, 1914, after a careful investigation for two months by experienced agents, that 325,000 men were out of work in New York City. This estimate the association believes to be conservative. Employment agencies, homes, and philanthropical societies tell the same story.

All the industrial centers in the United States have been affected. The Pacific coast has had to face the same problem as the Atlantic. In January Chief of Police Sebastian, of Los

Angeles, stated that 30,000 persons there were unemployed, including 10,000 women. So large a number have been unemployed in San Francisco that the relief measures within the city's means were altogether inadequate. In Chicago Mayor Harrison appointed a commission on Unemployment, which began work with $25,000 to expend as it deemed expedient.

Most of these men out of work are capable and willing. James T. Hunt, manager of the Bowery Mission, 227 Bowery, says: "Most of the men in our bread line are Americans, husky, strong, and willing." Almost all the men coming to the Municipal Lodging House in New York City are between 21 and 50. The Association for Improving the Condition of the Poor says that most of the 325,000 have homes and families to support.

What the exact truth is no one knows. Some persons are interested in showing only a few men out of work, and others in maintaining that a very great many are. Some try to make light of a situation that they really know to be very grave; some try to make a grave one seem blacker still. Such investigations as those here cited, however, show that the truth does not lie either in the mouths of those who say, "All is well," nor of those who say, "All is wrong." Just where between those positions it does lie, no one knows; and yet a fairly accurate knowledge of the extent of Unemployment is indispensable for an intelligent attempt to improve the situation. How is it possible to propose a remedy unless you know what it is to be a remedy for, unless you know how deep and how extensive a need it is to meet?

Still less do we know the character and quality of the men out of work. Even where we know accurately that 25,000 men are unemployed in a certain city, we do not know what percentage of them are capable artisans who simply can not find a job and what percentage are men simply too shiftless to keep a job if they had it. At present we have only one rough, crude test for separating them—the woodpile or the rock pile. We must learn to distinguish between the real unemployed workman and the man who is either shiftless by nature or who has grown lazy or disheartened from continual ill luck.

The need for distinguishing between these classes becomes sharply apparent when the question of relief or remedy comes up. What is a help to one class may be a harm to another. One class needs and wants only to be put into connection with

work; the other class needs, though it may not want, to be put to work under some sort of supervision, where the connection between work and subsistence is insisted upon. Outside of these classes are the feeble-minded and the incorrigible, needing still another remedy—segregation.

This, then, is the situation in the United States at present; enough Unemployment at all times to be a burden on the community, with the amount rising at certain seasons and under certain conditions to a degree sufficient to strain seriously our city governments. The newspapers have made us familiar with the dreary progress of this situation. We read of bread lines, soup kitchens, "armies" of the unemployed starting to march to Washington and driven out of a town with the fire hose, other crowds invading churches until we get confused between the honest desperation rising out of sore need and the intentional sowing of seeds of violence in strong men sick at heart from drinking the bitter brew of misery and charity.

The situation is sad indeed; but the saddest part of it is that most of the suffering and degradation is unnecessary. Unemployment can always be accounted for in part as due to business depressions, changes in fashion, changes of location of an industry, and the seasonal nature of some trades; but one great fundamental cause, and the one that could be most easily changed is the lack of organization in the matter of the supply of available labor power. The market for cotton, potatoes, steel, paper, leather, for almost any commodity has been organized, so that buyers and sellers know where they can learn what the supply and demand are. But the man with his power of work to sell has still to go from factory door to factory door trying to peddle it out.

In most states the supplying of this need has been left entirely to employment agencies, private or charitable, all acting independently of each other and competing, instead of cooperating. In New York City, for instance, there are about 850 private agencies. A man at the end of his resources can barely pay the fee in one of these. The chance that he will pick out the one that can place him is small. But the agency he chances to enter takes his fee, and tells him to call again, or sends him out of the state to a place where no work exists, or where he is discharged, after a week's work, to make room for another man —with another fee. There are also many racial, philanthropic,

or civic employment agencies. But there is no one place in New York City or Chicago or San Francisco where the information collected at the different agencies is brought together. No one person and no one organization has any grasp of the entire situation.

The New York commission found that 60 per cent of the 750 factories it investigated in the state depended entirely for their supply of labor on applications at the factory doors. How slight the chance is that the workman will get to just the factory that needs the kind of work he can do may easily be conjectured. The fluctuating demand for labor draws to it a reserve force of workmen; each industrial city becomes a market, with men going about looking for a vacant place. The more there are of such separate markets, the less is the chance that the man and the work will come together.

The result is that though thousands of men are needed in small towns, and thousands more on farms, they have no way of finding out where to go. There is no central office that gathers up and records the demand; they must go from door to door. So crowds flock from the country, where they are needed, to the congested industrial cities and go about vainly looking for work, while work in other cities or states calls out for them. Harvests ripen and fall only partly garnered, because workmen idle in eastern cities cannot get to western plains. Even the men and women that are working suffer, too; for when too many are consuming and too few producing, all must pay the price. The idle men and women, in the flower of their strength, lift up their empty hands for aid—hands empty of all the good things of life. From one side comes the chorus, "Give us work," and from another, "Give us men," until a person looking at these empty praying hands and listening to these confused cries feels as if he were flying with Satan through the realms of Chaos and Old Night.

The lack of supervision exercised over employment agents doing an interstate business enables them to take advantage of men in bitter need, well knowing that these men will never be able to return to prosecute them. Exorbitant fees, false information about wages or conditions of work, men sent to places where no work exists, are examples of complaints brought against these agents. That this is no slight matter appears from the fact that in New York City alone 63,691 contract laborers,

exclusive of farm hands, were sent out of New York in 1913 to different parts of the country by licensed agents. How many were sent out by unlicensed agents no one knows. According to the report of the commissioner of licenses in New York, the commonest form of deceit is the falsifying of conditions:

> Men are told that they are going to do grading work, and when they are shipped fifty or a hundred miles outside of New York they find that they have to work standing up to their knees in water. Some are told they have to work on roads and find that they must go into tunnels. Good sleeping quarters are promised to some, who are then made to sleep on the floors of shanties without even straw to lie upon. Proper food and cheap board are described, which turn out to be unfit food furnished at extortionate prices by the bordante. Men are led to believe that they can earn $3 a day, when frequently they can not earn $1 a day, and must pay the greater part of it for food and sleeping accommodations. If there is a strike on the works and the new hands are sometimes in danger, this fact is concealed. If they have no money they cannot get away and must bear with the conditions, no matter how unfortunate they are. (Report of Commissioner of Licenses, New York City, 1913.)

The situation is the same in the West as in the East—hundreds of cases of fraud going unpunished because the interstate nature of the case prevented any one state from having jurisdiction. The commissioner of labor of Wisconsin, in a discussion on the regulation of employment agents before the Twenty-eighth Convention of the International Association of Bureaus of Labor, gave the following illustration of the lack of jurisdiction in such a case:

> One contractor had hired 300 men one week and sent them out about 100 miles on the railroad, had kept them three days, and discharged them. These men were charged $2 for their registration and $1 each for the 300—which made $300—went to the men that hired them, and the other $1 each —$300 for the 300 employees—went to the private agencies. Then he sent to the agency and said, "Send me more men; I can not use these any longer." So he made another change, and during the week his fee was $600, and the contractor of the railroad got $600 out of it. We do not know how we are going to reach them, because the contractors from another state come in and send their orders across the border line. (Page 85.)

The Bureau of Industries and Immigration in the New York Department of Labor receives many complaints every year from workmen who have been cheated in interstate transactions of this kind. Eight men, for example, were sent to Pennsylvania to do construction work—machinist and contract work. They were put to work in front of furnaces—work beyond their physical powers. They applied to the Associated Charities in

the neighborhood, which asked the bureau to prevent this sort of misrepresentation. The bureau could take no action, as none of the complainants could come into its jurisdiction. In another case the Italian consul reports that Italian laborers sent by a New York agency to Montgomery, Ala., to do simple excavating work were obliged to work in water up to their knees. Some of the men contracted rheumatism, had to leave their work, and applied to the consul for help. Again the state was helpless.

These cases could be multiplied indefinitely in any state in the Union. Such agents build upon the knowledge that workmen must go from state to state as seasons change and industrial conditions alter.

It is clear that the lack of organization in the matter of supplying labor at present seriously and increasingly endangers the industrial welfare of the country. No country can hope to advance swiftly that has to carry too heavy a burden; those that are not capable of carrying themselves along—the sick, the injured, the aged—form a sufficiently heavy burden for any state. When to this is added the weight of thousands and hundreds of thousands asking only for the chance to support themselves, the burden becomes too heavy to be borne. Aside from the spiritual effect on a nation of a large body of men who feel in dumb, uncomprehending surprise that the existing order is somewhat becoming inadequate—entirely aside from this, even as a directly economic matter, this country cannot afford, in the face of the present situation, to neglect to take all possible means of bringing together the work that is to be done and the men that want to do it.

Unemployment is a matter which no state can adequately treat, because it has neither the authority nor the mechanism for getting information about labor and trade conditions beyond its boundaries. It could and should collect all possible information about such matters within its own territory, but that is altogether insufficient to cope with a problem that is in no sense local, but national.

Each state can use its police power to inspect employment agencies, and can deal through its courts with intrastate complaints. It can organize the supply of labor within the state. Seventeen states have established free employment bureaus, only four of which, however, have adequate appropriations and efficient methods.

Under present conditions, however, even a well-equipped state employment bureau with branch offices exchanging labor bulletins has no way of knowing what need may exist beyond its boundaries. The state of Rhode Island may have 5,000 unemployed men who are wanted in Minnesota, but Rhode Island has no way of finding that out. And if it should learn of the need for workmen elsewhere, it has no authority to use state funds to pay the men's transportation.

Many of the most serious conditions, however, are interstate in their very nature, and the mandate of a state runs only to the boundary thereof. Moreover, such transactions are properly subject only to federal, not state, control; for if the sale of electric power in one state to be used in another constitutes interstate commerce, so does the disposition of working power.

It is objected that the supplying of information about work and workmen may safely be left to private enterprise. Present conditions are a sufficient answer to that position.

It is objected that the law of supply and demand can be relied on to bring men and work together. The answer is that it has not done so. Theoretically it might be expected to; practically it has not had that effect. "It is a condition and not a theory that confronts us."

It is objected that provision for Unemployment should be left to the separate action of municipalities or states. It is sufficient answer to point out what would happen to any municipality or any state that offered to provide work for people that asked for it. Suppose it had been announced this winter that New York or Chicago or Washington had set itself to provide work for the unemployed.

It is objected that state regulation of private agencies and state free bureaus supply the need adequately. About one-third of the states have free bureaus of some sort, and about half the states have laws regulating private agencies in some fashion, but these laws and bureaus have not ended the abuses nor met the need.

Even if all the states did it, and did their best, that would be insufficient, for no state creates or controls its trade conditions any more than it creates its own weather. Many matters a state can regulate, of course. It can compel adjustments and reorganizations of manufacturing methods, but beyond that degree of control it has to take its share in whatever weather is sweeping across the country.

The work of separate state bureaus is absolutely necessary and such bureaus should be established and brought to a high degree of efficiency in every state. But cooperating with them, bringing together all their observations and information, there should be a federal bureau, charged with the duty of keeping watch over the supply of labor power available in the United States.

The purpose of the federal bureau of employment would be to lessen the amount of Unemployment in the United States.

It would endeavor, first of all, to bring together workmen needing work and employers needing workmen. It would do this through a central office at Washington and a system of branch labor exchanges in important industrial and commercial centers. Each exchange should collect all possible information about the state of the supply of available labor power in its district, both through its actual work as a free employment office and by any other means, and would cooperate with the others by exchanging reports through the central office. The central office should combine these local reports into a labor bulletin, from which anyone could learn the demand for work and for workmen in different parts of the country. The bureau would cooperate to the fullest possible extent with all existing state, municipal, and private employment agencies.

The bureau should also investigate the methods of all persons, corporations, and agencies procuring employment for others who carry on an interstate business. The head of the bureau should have power to license, inspect, and thus effectively control the work of all such interstate agencies.

The bureau would also make a thorough and comprehensive study of the causes of Unemployment, in order to determine which of them are due to conditions that can be altered and which must be met as an inevitable incident to industry. It would study possible means for avoiding the dislocating effect of seasonal industries and for lessening the amount of casual labor. It would try to see what relation there is between Unemployment and the lack of vocational guidance and industrial training. It would investigate the various systems of employment insurance and other methods of relief in operation in foreign countries, to judge whether some such provision would be applicable to American conditions.

Only by a definite, scientific, national plan can this country hope to solve the question of Unemployment. By not attempting

to solve it, the country is playing into the hands of those that say that no solution is possible.

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Theory of Public Employment Offices and the Principles of their Practical Administration. William M. Leiserson

Public employment offices present for discussion three important considerations: the theory on which they are based, the principles of their practical administration, and their use as agencies for dealing with Unemployment. Our main attention, however, needs to be given to administrative principles. The history of public employment offices in the United States illustrates well how legislation may fail of its purpose because little attention is devoted to problems of administration. Laws are passed after long campaigns of education to arouse the public to a realization of their importance and to an understanding of their theoretic principles. This done, those who have been most active in studying the subject drop the matter and political workers are appointed to administer the laws.

It is twenty-three years since Ohio established the first state free employment offices in the United States. Since that time almost half the states in the union have followed its example. At the present writing more than sixty employment offices are in existence in eighteen different states.[1] Yet nothing like a body of scientific administrative principles has been developed among them. There is no uniformity in their methods, no cooperation between offices, no definite policies of management. There is little or no comprehension of the nature of the business.

The circumstances which have led to the establishment of public employment offices in the United States have in the main been three: the abuses of private employment agencies, the lack of farm labor in agricultural states, and the presence of great numbers of unemployed wage-earners in the industrial centers. To these must be added the example of foreign governments

[1] Col., Conn., Ill., Ind., Kans., Md., Mass., Mich., Minn., Mo., Mont., Neb., N. J., Ohio, Okla., R. I., Wash., West Va., and Wis. Most of these offices are under the management of the labor departments of the respective states. Montana has a statute requiring every city of the first and the second class to maintain a municipal free employment office, and in Washington five cities have established offices on their own initiative. The city clerk of Newark, N. J., conducts a free employment bureau in his office.

and the growing belief that it is the duty of the state to prevent unnecessary idleness. Whatever the reasons for the establishment of the offices, however, the results have in most cases been the same. The administration has been placed in the hands of people unfamiliar with their design and purpose. These officials have either mismanaged the offices so that they had to be discontinued or else they have performed their duties in a perfunctory and wholly ineffective manner.

This, in short, has been the history of public employment offices in the United States. In theory they were designed to furnish clearing houses for labor, to bring work and the worker together with the least delay, and to eliminate the private labor agent, whose activity as middleman is so often accompanied by fraud, misrepresentation and extortion. In practice, far from supplanting private agencies, the free offices have not even maintained an effective competition against them. With few exceptions their operations have been on a small scale, their methods unbusinesslike, and their statistics valueless if not unreliable. Four states and about half a dozen cities have discontinued their offices, and most of those now in operation are constantly on the defensive to maintain their existence.

I

Shall we say then that public employment offices are a failure and give up all attempts to establish them? If we do, we should have to say that our state labor departments, our factory inspection and our health departments should also be given up; for their history in the United States has been about the same as that of the employment offices. They have been manned without merit and their work is crude and ineffective.

The fact of the matter is, however, that employment offices, like factory inspection and the health work of our governments, are based on sound principles. Their lack of success has been due mainly to the general administrative inefficiency of our government work. In Europe where public labor exchanges have been most successful, they are by no means all equally successful. Some German cities have active, businesslike labor exchanges, while in others the work of such bureaus is as sleepy and inefficient as in any of our own. The lesson is obvious. If we wish successful public employment offices we must, after the example of the larger German cities, put persons in charge

of them who understand the business, who know its principles and its technique, and who will work with vigor and energy to make their offices successful.

But should we desire public employment offices at all? Is the state justified in maintaining such offices? These questions must be settled at the beginning. Many thoughtful people see no necessity for such public agencies. Samuel Gompers, in the American Federationist, recently stated that the existing agencies were ample for distributing the labor forces of the country. The Massachusetts commission to investigate employment offices argued:

> For well known reasons we never think of establishing governmental grocery stores and governmental dry goods shops in the hope of having the community better served than by private enterprise. The same reasons should clearly govern our attitude toward employment offices, unless it is shown that the employment office business is different from other business.

Public employment offices, in the opinion of the Massachusetts commission, should not be established to compete "with the private office in placing regular domestic, mercantile or other skilled labor."

The trouble with these views is that they are held by people who do not understand the nature of the employment business. That three months spent by the Massachusetts commission in studying employment offices was not sufficient to learn the business is evident from the comparison with groceries and dry goods stores. As a matter of fact the comparison should be with the post office, the school system, the distribution of weather and crop reports, etc.

In order to judge correctly of the public employment offices we must know the principles upon which they are based. What then, is an employment office? And what are its purposes and functions? In a sentence, an employment office may be defined as a place where buyer and seller of labor may meet with the least possible difficulty and the least loss of time. The function of an employment office is best expressed by the British term "labor exchange." Exchange implies a market. It is an organization of the labor market for buying and selling labor, just as stock exchanges, produce exchanges, and wheat pits are organized to facilitate the buying and selling of their products.

Now why do we need an organized labor market? Employers are constantly hiring and discharging employees. Workers are

constantly looking for employment. The New York Commission on Unemployment reported in 1911 that four out of every ten wage-earners work irregularly and seek employment at least once, probably many times, during the year. Moreover, it found Unemployment and unfilled demand for labor existing side by side. Census returns, manufacturing statistics and special investigations all reveal the intermittent character of the demand which necessitates a reserve of labor employed not steadily but shifting from place to place as wanted.

How does a wage-earner find employment? Interesting light is thrown upon this question by statements made to the New York commission by 750 employers. Four hundred and fifty-eight of them, or over 60 per cent, stated that they could always get all the help they needed, and practically all hired their forces from persons who made personal application at their plants. Two hundred advertised in newspapers and hired from among those who made personal application at the plant. About fifty used employment agencies and ten depended on trade unions. The main reliance, therefore, is placed upon applications directly at the plants and upon the newspapers. What this means is well illustrated in a communication sent to the Chicago Tribune by a working girl. She wrote:

> For the last ten days I have been going to the loop every day to look for work. I am there at 8 o'clock in the morning. I look for work until 11. From 11 to 12 is the lunch period in most big establishment, and it is useless to try to see anybody at that time. My lunch in a cafeteria gives me a rest of fifteen or twenty minutes. Then I am back again on the sidewalk. The chase from building to building during the morning and the constant dodging of automobiles tire me. Is there a place where I can go to rest up?

The girl's question does not concern us here so much as her method of seeking employment. Think of the waste of time and energy and the discouragement in going from door to door to ask if any help is needed. She had been doing this for ten days without success; and the significant thing about her search for work is that the demand for women workers is generally greater than the supply, and this was in a busy month, July, during a fairly prosperous year, 1913. What must be the waste and discouragement of male workers whose labor is not so much in demand?

This the price we pay for lack of organization in the buying and selling of labor. The reason most employers can get all

the need at their gates or by inserting an advertisement in a newspaper is because there are thousands of men and women who, like this girl, go from door to door, hundreds responding to every cue given in the newspapers. The labor market is still in the peddling stage. While dealing in almost all the important articles of trade is now systematically organized with exchanges and salesmen and trade papers, labor must still be peddled from door to door by each individual worker. A recent investigation in the Philippines describes how chair-makers and box-makers after working up a stock of goods take them to sell on a peddling tour in ox carts. When they want wood for their manufactures a member of the household sets out on the road and buys the first tree that suits his purpose. Our industries have developed far beyond this, but in the buying and selling of labor they are almost all in this primitive stage.

The economic waste from lack of organization of the labor market shows itself in the development of many small markets. Each factory gate and industrial district of a city tends to become a market. Each draws a reserve of labor ready to meet the fluctuating demands of employers. The multiplication of markets makes the necessary labor reserve unduly large and increases the maladjustment between supply and demand. Idle wage-earners and vacant positions often fail to meet. There is an oversupply of labor in one place and a shortage in another. Some occupations are over-crowded, while others have not a sufficient supply. An organized market for labor is needed for the same reason that other markets are organized: to eliminate waste, to facilitate exchange, to bring the supply and demand quickly together, to develop the efficiency that comes from specialization and a proper division of labor. A good manufacturer may be a poor man at getting business, and many good workmen are poor hands at finding jobs. An organized labor market will enable workers to attend to their business of working and will develop efficient dealers in labor who will be specialized as employment agents.

II

Granting the need of an organized labor market, is it the duty of the state to organize it? Can we not depend upon private enterprise to perform this function as we do in the grocery or the dry goods business?

It would seem a sufficient answer that private enterprise up to the present has not undertaken so to organize the labor market. Business men have allowed the distribution of labor to lag more than a hundred years behind the general development of industry, not without good reasons. The main reason has been that ordinarily the entire burden of the resulting maladjustment is borne by the wage-earner. It is he who suffers from the loss of time and energy. Moreover the failure to get a job quickly makes him willing to take work at any price and thus tends to keep wages down. Wherever employers have felt a lack of labor they have developed some form of organized search for help. Thus railroad and lumber companies and other large employers of labor have labor agencies, and private labor agents cater mainly to such employers.

But there are other reasons why private enterprise has failed to organize this service properly. The nature of the business is such that to be successful it really needs to be a monopoly. It is like the post office and not like the grocery business. The service is a public utility. Little capital is required, the operations are simple and the profits are large. A labor agent who ships one hundred men a day to railroad or lumber camps, which is a comparatively small number, makes a profit of $100 or more. This tends to multiply labor agencies and keep each business small. In New York City alone there are almost a thousand labor agencies and yet 85 per cent of the employers never use them. In Chicago there are some 600. The multiplication of agencies has the same evil effect as the multiplication of labor markets. They merely make more places to look for work; and the more places, the more are the chances that man and job will miss each other. The agencies, being in competition, will not exchange lists and an applicant for work may register at one while another has the job which fits him.

Furthermore, the fee which private labor agents must charge for their services precludes them from becoming efficient distributors of the labor force of a state. At the very time when labor is most over-supplied, when there are many unemployed and it is important that those who can shall go to work at once, then the fees for securing employment are highest. A barrier is thus interposed to the proper flow of labor in the channels where it is needed. Moreover, there is always the temptation to the agent to fill his positions from among people who are

already employed. This practice is almost universal among private labor agents. It enables them to create new vacancies and to earn more fees.

But, besides private employment agencies which charge fees for their services, there have been attempts by trade unions, employers' associations, and philanthropic societies to organize the placing of labor without charge. These have generally failed, and for obvious reasons. Wage-earners will not go in great numbers to any agency maintained by employers, because of its possible use for blacklisting, breaking strikes and beating down wages. Employers, on the other hand, will not patronize a trade-union office except where the trade is completely organized. It gives the union too powerful a weapon in the struggle for control. If there is any one condition that is basic in the successful management of an employment office, it is that it must be impartial as between employers and workers in their conflicts over conditions of employment. As for philanthropic agencies, the tinge of charity has been fatal to them. No self-respecting wage-earner wants to apply at a charitable agency, and no employer will call for efficient and steady help at such an institution.

The state, then, must be relied upon to organize the labor market because the gathering of information about opportunities for employment and the proper distribution of this information to those in need of it, requires a centralized organization which will gather all the demand and which will be in touch with the entire available supply; because the gathering and the distribution must be absolutely impartial; because wage-earners and employers must have faith in the accuracy and reliability of the information; because there must be no tinge of charity to the enterprise; and because fees big enough to interpose a barrier to the mobility of labor must be eliminated.

Now it may be true that employment offices perform a public function, that they are in the nature of public utilities, and yet the weaknesses of state activity may be such as to make it impossible for any American state to perform the service properly. Perhaps we ought to induce enterprising business men to organize the labor market on a large scale and then regulate them as we do our railroads and street-car companies. This is the view of a recent French writer on Unemployment, M. Bellet. Perhaps we ought to rely upon philanthropists to invest in this

business, as they have done in provident loan societies and model tenements, with the expectation of a moderate return on the capital. This idea was expressed by Dr. E. T. Devine at the International Congress on Unemployment in Paris in 1910, and the National Employment Exchange established in New York with an endowment of $100,000 is an embodiment of the idea.

It is not necessary here to enter into the relative merits of governmental regulation and governmental operation. Suffice it to say that twenty-four states and the District of Columbia have attempted to regulate private employment agencies and have made a miserable failure of it. The business lends itself easily to fraud and imposition and it is far more true of the private agencies than of the public offices that they have been frauds as well as failures.

> The United States possesses at the present time no adequate system, either state or national, for the regulation of private employment agencies, either from the point of view of the content of the laws, affording regulations of the business and restrictions as to how the business shall be carried on, or as to proper methods of enforcement.[1]

It is possible, of course, that more adequate regulation might be worked out in the future. But if the employment business is to be left in private hands, it will require the very strictest supervision to insure just treatment of patrons and especially neutrality in labor disputes. The regulation could never be effective until it establishes the confidence of both employers and workers in the fairness and impartiality of the private labor agents. To accomplish this the state would have to employ honest, energetic and capable men to do the regulating who would understand the employment business thoroughly. But if the government had the services of such a set of men there can be no doubt of its ability to manage public employment offices with more success than private enterprise could, if for no other reason than the fees which the private agency would have to charge. In conclusion on this point, it would hardly be possible for the government, unless it legalizes a monopoly, to prevent the multiplication of private labor agencies, which, as we have seen, increases maladjustment between labor demand and supply.

As for a philanthropic enterprise, it is bound to be considered a charity unless it charges fees. However reasonable it may

[1] Labor Laws and Their Enforcement, edited by Susan M. Kingsbury (Boston, 1911), p. 366.

make its charges, to a certain extent it is bound to defeat its own purpose by keeping the man who has not the fee from a job. But its greatest handicap will be that it must be supported by men with money to invest, that is, by employers of labor. Workmen will always look upon it either with suspicion or with the disdain they commonly attach to paternal enterprises. As a matter of fact many of the municipal employment offices in Germany did start as philanthropic enterprises, but it was found more effective to turn them over to the cities and give capital and labor representation on a parity in their management. Much the better solution, it would seem, is for the state frankly to assume not the duty of supplying work to the unemployed but the responsibility of providing wage-earners with information regarding the existing opportunities for employment. This is what public employment offices do. The function would be no different from that assumed in the maintenance of the schools and libraries and the post office.

But will not the furnishing of this service free of charge by the government tend to undermine the self-reliance of the workers? Is it not in fact a charity although everyone may take advantage of it? This fear has been expressed whenever the state proposed to enter upon any new enterprise. In the present case it is due to a misconception of the nature of the employment business. Experience has shown the fear to be groundless. An employment office does not give work to anyone. It merely tells the applicant where there is employment. To secure a position the applicant must have the same qualities of fitness and efficiency as if he had got in touch with the employer after a day of pounding the pavements. It is information and not jobs that employment offices distribute. The employer is directed to the supply of labor; the worker is informed as to the location and condition of the demand.

It is because the welfare of the majority depends upon the widest possible distribution of reliable information of this kind that the state is justified in giving the service free. What information could be more important to a people than to know exactly where opportunities are open for men to apply their energies to make a living? It is the same sort of information that the government distributes to business men in its consular reports, geological surveys, and its publications on the natural resources of the state. The importance and the essentially pub-

lic nature of the information gathered and distributed by employment offices, makes the performance of this service a public function.

III

It remains now to be shown that an American state can actually organize the labor market and administer the organization efficiently and effectively. The Industrial Commission of Wisconsin, created in 1911, determined to try it; and two years experience with a definitely outlined plan proves that it can be done, although it will take several more years to complete the organization so that all classes of labor will be handled by the employment offices.

Thanks to the legislature, the commission was free from a handicap with which almost all the state employment offices have started—namely, a rigid statute which attempts to prescribe the methods of doing business. The effect of these statutes has been to hinder the enterprising superintendent, and to make the inefficient one feel that he is doing all that the law requires. The act creating the Industrial Commission repealed the old law and in its place gave to the commission general powers to establish and conduct free employment offices and to do all in its power to bring together employers seeking employees and working people seeking employment. The commission was authorized to make any rules and regulations necessary to carry out this purpose, but no fees could be charged either to employers or employees. Under this statute the commission was free to adopt any methods that seemed best for handling different classes of labor, and it could change its methods whenever experience made it necessary.

The Industrial Commission first investigated the old free employment offices to find out their weakness and the causes of their limited activities. Then a plan of reorganization was worked out and the general principles of a new management adopted. The cardinal points of this management were (1) civil service, (2) neutrality in the struggles between labor and capital, (3) freedom from taint of charity and (4) distribution of information, not jobs.

This done, attention was devoted to the selection of an efficient force of employees to conduct the business. The first requisite of successful employment offices is that the persons

who manage them shall know their business. This would seem axiomatic, but it is a weakness of all government activity that officials are placed in positions for political reasons rather than for efficiency. Fortunately the law made appointments subject to the civil service regulations. This did not prevent attempts at political pressure but it enabled the Industrial Commission to ward off that pressure and to insist on merit. The state Civil Service Commission cooperated, and in Milwaukee the entire staff of five employees was selected by an examining board on which the Industrial Commission, the Civil Service Commission and employers and workers were represented.

It was found that it is not at all necessary that the office force should be made up of economists or sociologists. This work, like any other business, can be learned by people of ordinary intelligence. But appointment for merit alone must be insisted on, and tenure of office must be permanent as long as the employees pay proper attention to their duties. Also some system of promotion is necessary, so that the ambitious clerk in a public employment office may be advanced both in position and salary. To hold the best employees, the employment offices must offer a career for the enterprising young man. Nothing kills efficiency more quickly than the knowledge that a man can not get ahead. Fortunately salaries were not fixed by law and promotion with increases of salaries has been possible.

At the head of the public employment office was placed a person who not only understood the technique of the business but who had made a study also of the principles on which it is based, of its relation to the whole industrial life of the state, and to the pressing problem of employment. He was depended upon to train the staff, supervise its work, and to develop an administrative machine that would be permanent. The subordinate officials knew that they were selected because they seemed most promising, and they were made to understand that their tenure of office depended upon the character of their work. When vacancies occurred the most fit were promoted. As a result, Wisconsin employment offices have a force of employees which is as loyal, hardworking, and interested as any in private business.

As part of an effective administrative machinery, a system of representation of the interests involved was worked out in

order to insure confidence of both employers and workers and impartiality in labor disputes. A managing committee of employers and workmen was organized, with each side equally represented, the state and local governments also having members. This committee decides all matters of policy, supervises the expenditure of funds. and watches the work of the office. It sees to it that neither one side nor the other is favored during strikes.

It was established as a principle of the management that the offices are not charities, but pure business propositions to facilitate the meeting of buyers and sellers of labor.[1] Fitness for positions is the prime test in all dealings. If applicants are unemployed because of ald age, inefficiency or disability of any kind, it will be no help either to them or to the community to refer them to positions which they cannot hold; and it damages the reputation of the office.

Finally it is strictly maintained that information and not jobs are distributed by the public employment offices. No one is assured of a position by applying for work. And no employer is assured of help. The offices merely bring to the notice of working people the opportunities for employment for which they are fitted, and connect employers with the available supply of labor of the kind they need. Employers and workers are left to make their own bargains. No responsibility is assumed by the management beyond the accuracy and reliability of the representations that are made by the office force to applicants for employment or for help.

The result of this management has been unusually successful. The Milwaukee office is the only one located in a city large enough to permit of great expansion. During the first year its business was increased almost fourfold over preceding years when it was conducted as the majority of employment offices in the United States have been managed. Applications for employment increased from 6,300 to 23,000; help wanted from 6,200 to 29,000; and persons referred to positions from 6,000 to 24,000.

[1] Without advertising the fact, the Wisconsin employment offices do attempt to place the handicapped. Aged, crippled, and deaf-and-dumb workers have been placed in positions which they could fill when the superintendents of the offices have explained the circumstances to the employers. But the offices must establish a reputation for ability to select capable employees before they can afford to handle handicapped workers on a large scale. A complete organization of the labor market would include a department for the handicapped.

Of the 24,000 referred, it was ascertained that 11,400 had actually been hired. During the second year the business increased over the first by about 40 per cent. The first year the cost per verified position secured was 60 cents. The second year it was less than 50 cents. With future growth this cost should be much further reduced. The other three free employment offices in Wisconsin are located in cities with populations of less than 45,000. While they have not shown such remarkable results, they are substantially increasing their business.

The appropriation made by the legislature for the work of the free employment offices would not have enabled the Industrial Commission to carry out its plan. An agreement was therefore made with the city and the county of Milwaukee by which they undertook to provide the funds for paying rent, light, heat, telephone and janitor service for the office in Milwaukee. This made it possible to conduct the office on a scale large enough to meet the requirements of the city, and as business increased, to add to the members of the staff. Further, expenditures in the offices at La Crosse and Oshkosh, where the business is small, were reduced almost half, and the savings were devoted to the larger offices in Superior and Milwaukee. The legislature of 1913 passed a law which authorizes any city, county or village to make an agreement with the Industrial Commission for the joint maintenance of local free employment offices. This will enable the commission to spread the Milwaukee plan all over the state.

Coming a little farther into the details of management, an accurate system of record-keeping is essential. The temptation is ever present to minimize the importance of records and to say that the securing of employment is the chief function. But it is not possible to run an employment office properly without a careful system of records any more than any other business can be conducted without a set of books. A proper selection of applicants for positions available is possible only by a careful system of registration. Moreover the applicant must be followed to the place of employment and a record kept of the positions to which he is sent. On the employer's side a list of the applicants referred to him must be kept.

Often men do not report for work; sometimes they hire out and fail to appear next day, or they work a few hours and quit without reason. Employers, too, are not careful to repre-

sent conditions as they are. They sometimes promise more wages than they pay, or if board and lodging are a part of the remuneration they may not provide proper food or accommodations. Often they promise steady work when they need but temporary help; and some employers fail to pay wages promptly. The record of such facts with regard to both employers and employees must be carefully noted in order that each applicant may be judged correctly and the character of the positions accurately presented to those seeking employment. It is easy to overload an office with bookkeeping, but if the managers study the work thoroughly and are not afraid to make changes from time to time, as new methods suggest themselves, a simple card system can be worked out which is easy to understand and requires little time to maintain.

The record system in the Wisconsin offices is designed to help in securing the best adjustment of men to positions, and also to throw light on conditions of demand and supply in the labor market. No information is asked of applicants for employment or for help that will not be of use in connecting workers with the work for which they are best fitted.

Applicants for employment are required to register, giving name, address, age, nationality, conjugal condition, last occupation, and length of residence in the city. On the back of each applicant's card is posted all the employers to whom he has been referred for work, the dates on which he was sent, and what the result was—whether he secured the position or not, whether he failed to report, or was hired and did not appear for work.

In the same way an "Employer's Order Card" registers the demand for help, the kind and number of men and women wanted, the nature of the experience required, the wages paid, whether the work is steady or temporary, and whenever possible, the number of hours work per day. The name of every applicant who is referred to the employer is entered on the back of the latter's order, and the result in each case is posted in the same way as on the employee's card.

In order to keep tab on applicants, each person referred to a position is given an "Introduction Card" to the employer, and the latter is requested to sign the card and return it to the office if the applicant is hired. When no word is received from the employer either by card or telephone, a return postcard is

sent to him giving a list of those referred to him for work and asking him to check the names of those whom he hired. In this way all positions filled are verified.

From the "Applications for Employment" and "Employer's Order" cards, a daily report of business is made by each office to the central office of the Industrial Commission. The reports show the demand for help and the supply of labor classified by industries and occupations; also, whether the occupations are skilled, semi-skilled, or unskilled, and whether the positions are temporary or permanent.

From these reports the labor market bulletins are compiled and distributed among the offices and to the newspapers of the state, and the information is made use of in connecting unemployed wage-earners in one part of the state with demand for labor in another district.

Care is taken to give applicants as full information as possible about the positions to which they are referred. Discrimination is made only on reliability and fitness, and such discrimination is always openly made and the reasons frankly given to the persons discriminated against. Here the records of the office are of the greatest value in offering proof of unreliability or unfitness, and in the case of employers, of misrepresentation or unfairness in treatment of former applicants. As employers find an office careful in selecting applicants they place more and more value on its introduction cards. Sometimes they refuse to hire anyone without such a card, which is a recognition that the staff of the employment office is developing experts. Workmen soon learn the value of the introduction card, and when such a card is consistently refused to the unfit and unreliable, these are soon separated from the able and willing workers.

There is, however, no rigid rule of unfitness, and the office force does not pass judgment on applicants from the one-sided standpoint of the employer. A man may be unfit for a steady position, but he may be the best fitted for a short job of a day or a week. An applicant may refuse employment if wages or other conditions do not suit him, as many times as he pleases, provided he does not agree to accept the position and then fail to keep his promise, thus keeping another man from the work. Just as the employer may hire whom he pleases or for as short a period as he pleases, so the worker may accept what position he pleases, for as short a period as he pleases, provided in

both cases the parties make their intention known to the office force and thus do injury to no one.

Once the principles and methods here outlined were established, it was an easy matter to increase the business and draw away trade from the private labor agencies. The latter are seldom careful in the selection of applicants, and when employers learned of the methods employed by the state offices they preferred to patronize them. Wage-earners, too, began to come in greater numbers as they saw the calls for help at the free offices increasing. They soon learned that at a factory gate they have but one chance to get work, while at the employment offices there may be many. And when they saw the free offices active and energetic in gathering and distributing information about jobs, they refused to pay labor agents for this information. Even employers with whom these agents were dividing their fees were compelled to come to the free offices, for there the labor that they needed was to be found.

When demand for labor came from a distant part of the state or from other states, the cost of transportation presented a difficulty. In Great Britain the labor exchanges lend money to applicants who wish to go to work in distant places. This is hardly necessary in this country because employers are usually willing to advance the fare, and sometimes to pay it, if they have confidence in the ability of the employment office to pick the proper men. As security for the fare the men's baggage is checked ahead to the employer. Men are sent out of town from the Milwaukee free employment office under arrangement of this kind almost every day.

The prime test of the successful management of an employment office comes in times of industrial disputes. Experience has shown that to take sides with either party to the dispute is fatal. Following the British practice, the Wisconsin employment offices adopted the policy of listing demands for help from employers whose workmen are on strike, but carefully informing each applicant that there is a strike at the establishment. Then if the applicant wishes to be referred to the employer he knows the conditions and goes on his own responsibility. Employers and union men have expressed their satisfaction with this policy during several strikes that have occurred.

Important as is the work of public employment offices in solving these practical administrative problems to which con-

sideration has been given, such work by no means covers the entire field of service open to them. By adopting such policies as have been described and carrying them into execution with vigor and efficiency, a successful and highly important organization for *distributing* labor can be built up and utilized. But, in addition to this, public employment offices have an important public function to perform in studying the causes of Unemployment and providing means by which unfortunate conditions may be remedied. How much they can accomplish towards this end and what policies must be adopted to make them effective agencies for reducing the number of the unemployed will be discussed in a future article.

Catholic World. 92: 605-11. February, 1911

Looking for a Job. William M. Leiserson

Have you ever looked for a job?

If you are one of those fortunate people who possess a particular talent or skill which is in demand, you may not have had much trouble in finding work; but if you are just an ordinary workingman—as most of us are—you know what a discouraging and disheartening experience it is.

When I was a little fellow and left school to earn my own support, I wanted a place in a business where I could "work up." I thought a railroad or a steamship system offered the best career. Therefore I wrote to nearly all the railroad and steamship offices in New York. My disappointment was great when, after weeks of waiting, I had received but one answer—and that informed me that there was no vacancy.

I turned my attention in other directions. I made the round of newspaper offices and answered "ads." I hurried to those places which wanted the applicants to call. Always I found a long line ahead of me; and I was surprised at the number of "grown-ups" who appeared in answer to advertisements for boys at $3 or $3.50 per week. No matter how early I came, there always seemed to be some people ahead of me. Usually the position was filled before my turn came, by some one who had had experience. My teachers' recommendations were good, but I was without experience, so months passed and still I was without work. When I finally did get a position it was through

the influence of a friend who took me into a business for which I had little inclination.

Thousands of boys in America start out blindly as I did, in pursuit of a job. Where is the employer, the industry, to use their willing services? They do not know. I did not know.

Several years later I had occasion to look for work in Chicago. I wrote letters. I called in answer to advertisements in the newspapers. I found that many of the people who advertised were not employers, but employment agents, and they had "just filled the position" before I came. I tried tramping the streets in the business districts looking for signs "help wanted."

How many people are going through this same disheartening experience every day in our large cities of America? How many are drifting into casual labor, living by odd jobs, with all the unsteady and demoralizing habits an irregular working-day brings? How many are losing hope, becoming vagrants, drunkards, tramps? Unemployables, we call them when we find they won't or can't work. But were they always unemployable? There are many who would make the most useful, the most faithful workers, if they only knew how to look for a job, or where to look for it. And here we see the tragedy of the man who has worked in one place for years. It is a cruel fact that the more faithful a man has been to one employer, the less likely he is to know how to find another job once he is displaced. So, he more quickly loses hope than a young man, and more rapidly becomes demoralized because he does not know how to look for work.

And yet, while wage-earners are suffering distress from lack of work or insufficient work, employers complain of a lack of labor. This condition is inevitable in America as long as we have no well organized, efficient exchange or common meeting place for the buyers and sellers of labor. We have organized wheat exchanges, cotton exchanges, produce exchanges, and exchanges for most other commodities. But where is the labor exchange? Why should labor hunt from door to door to find its buyer?

Some people say it might undermine the self-reliance and take away the initiative of the workingman if the city or state helped him find a job or helped employers to find workmen. They would, therefore, let chance bring together employers

needing help and wage-earners needing employment. So we continue to have our army of unemployed, our tramps, our vagrants, and our beggars.

German Labor Exchanges: A Government Enterprise for the People

In Germany they are not afraid of having the government do things for the people. In fact, they are quite used to it. And there you will not find the great army of unemployables, "won't works" and "can't works" that are so familiar in our own country and in others which fear the effect of government enterprise on the individual. For, over there, men, women, boys, know they can find all the opportunities for work by going to the labor exchange.

As a contrast to the experience of an American boy, let us follow a German boy leaving school for a job. He receives from his teacher a blank application for a position. It has been sent over to the school by the *Stadtische Arbeitsnachweis* (Municipal Labor Exchange). He fills out the application in the presence of his teacher, and on it is noted his preference in the way of a career, his standing in school, his aptitudes as viewed by his teachers, together with much other information. This application is transmitted to the exchange. The person in charge of the department for juveniles places it on file. The boy is told to come to the exchange from time to time, and a separate waiting room is provided where all the boys may sit and read. When an employer needs a boy he telephones to the labor exchange. Sometimes he writes. He tells just what he wants the boy for, the kind of work, the hours, the wages he will pay and what the opportunities for advancement are. The person in charge of the boys' department looks over the application blanks, picks out those most likely for the position, calls those applicants from the waiting room (or sends them a card to call at his office) and selects the boy who seems to have the greatest aptitude for that particular work, and this one is sent to the employer. Thus employers know that only those who are inclined and fitted to their work will be sent to them, and the boy has some chance to choose his career.

When a German wage-earner has lost his work he is not at a loss where to turn. Practically every city now has its *Arbeitsnachweis*. There are about 200 such exchanges either directly

operated by the municipalities or supported by their funds. The man who needs employment goes to the exchange and registers on a blank immediately handed to him. He states his name, age, residence, trade, and place of previous employment. He is given a card which entitles him to the use of the waiting room. In a few cities he has to pay a small fee for registration, but usually the services of the exchanges are free to all. In fact, the labor exchanges owned by municipalities are all free. But there are a number operated by philanthropic associations which receive subsidies from the city governments, and these sometimes charge a small fee, usually about 5 cents. After he has registered, the applicant goes to the waiting room. The registration card tells him to which waiting room—whether to that for unskilled laborers or to one of the various departments for skilled trades. There he will find men of his own class and calling, smoking, reading newspapers, or engaged in quiet conversation over their steins of beer. If he is in Berlin, and if he is hungry while waiting, he may get a lunch at cost price, and if his clothes or shoes need mending there is a tailor and a shoemaker who will make him look presentable to an employer for a very small fee; and there are in Berlin also shower baths in the building, of which he may take advantage. The women and the children have separate departments, with separate waiting rooms. The women do their sewing and they appear like a contented lot of housewives as they sit waiting to be called for work.

The waiting room looks like a stock exchange. Blackboards with lists of positions vacant line the walls, and notices of various kinds are tacked on bulletin boards in different parts of the room. From time to time a clerk with many papers in his hand steps into the room and the men gather around him. He calls out the orders for help. Those who wish to apply for the jobs call out the numbers of their registration cards and go into the office to be interviewed.

To be more specific, let us say an unemployed German has the experience as a teamster which is required in one of the positions proclaimed by the clerk. He enters the office. There he may find the employer ready to hire him if he is satisfactory; or else one of the office force will talk to him, inquire about his experience; and if the clerk deems him satisfactory, the man will give up his registration card and receive instead a card of introduction to the employer. Should he be hired, he asks the

employer to sign the card and he puts a stamp on it and drops it into a mail box. It is already addressed to the exchange and tells that the applicant has secured the position. Should he not get the place, he takes the introduction card back to the clerk and receives again his registration card.

Our German workman has a feeling for his fellow men. He would not like to take another man's place when that man has gone on a strike to better his condition. He wants to be informed when there is a strike in any establishment to which he may be sent. Employers, on the other hand, want the exchange to send them men during the times of strike as well as at other times. How shall the exchanges keep neutral in time of conflict? This troubled the cities at first. But they found a way out. Every exchange has a managing committee composed of equal representatives of wage-earners and employers with a chairman who is neither an employer nor a workman. This committee looks out for the interests of both sides. When there is a strike it sees that the applicants for work are informed of the fact; and when some want to take the work in spite of the strike the committee arranges for these men to be sent to the employers. As a matter of fact, however, few apply for work in those places where there are strikes.

When the labor exchanges were first established the workingmen were opposed to them, while employers were indifferent. The unions feared the use of them as strike-breaking agencies. However, a few labor leaders recognized the need of affording a common meeting place for employers seeking help and workmen seeking employment, and defended the exchanges and cooperated with them. In 1898 they succeeded in winning the support of the German Trade Union Congress. Since then labor has been definitely favorable to the public employment offices.

The employers also have learned to favor them. They thought at first that none but unskilled and incompetent workers could be had at the city labor bureaus. It took much advertising and frequent visits to get them to send all their orders to the exchange. But they have been won over. Experience has taught them the advantage of an organized labor market to which they can telephone their orders whenever they need help.

The only opposition now comes from two great industries, the metal trades and mining. But the employers in these trades favor the principle of the labor exchange. They only want

to retain control of the labor market in their own hands and to use it as a weapon against the unions. The metal trades associations of employers and the mine owners have organized labor exchanges from which all employers in the association are compelled to hire their help. These exchanges do a very big business. In Berlin alone the labor exchange of the Metal Trades Association finds places for about 16,000 men annually.

In his city labor exchange the German workman finds all the opportunities for work that are available not only in his own town but throughout the empire. In the waiting rooms he sees posted "Lists of Vacancies" which are issued by the Associations of Labor Exchanges in the different parts of the country. There are eleven such associations corresponding to certain geographical divisions, as for example, "The Association of Bavarian Labor Exchanges," the "Central German Labor Exchanges Association," "North Elbe Labor Exchanges Association," and so on. At regular intervals the offices in each of these divisions send to the headquarters of the association a list of those positions which they have not been able to fill. In turn, a list is made at headquarters of the vacancies in all the cities and distributed to the exchanges throughout the country. In this way it is possible for men out of work in Prussia to know whether it would be worth while to go to Wurtemberg or any other state.

The exchanges themselves sometimes arrange the transfer of the men from one part of the country to another, making sure beforehand, however, that no one is sent to a distant place unless a position is open for him. A few of the German states allow men thus sent to ride on the government railroads at half fare; and all the states contribute to the support of the associations of exchanges within their boundaries.

Covering the entire country is the Association of German Labor Exchanges which receives a subsidy from the imperial government. This organization helps to start new exchanges and improve old ones. Also it holds annual conventions for the purpose of discussing ideas that will tend to promote the efficiency of the exchanges. And it publishes a monthly paper, *Der Arbeits Markt* (The Labor Market) which contains news of the work of the bureaus in all the cities.

The first of the city labor bureaus was established by Dresden in 1887. Since then they have spread and developed rapidly.

The authorities throughout the country are anxious to further their work. Recently the Reichstag passed a bill prohibiting the establishment of private employment offices except in such employments as are not dealt with by the public labor exchanges. This is the first step toward abolishing entirely all private employment offices.

In 1909 the municipal labor exchanges of Germany secured about 950,000 positions for unemployed work people. Most of these, it is true, would have found work for themselves, without the aid of the labor exchanges, but there is no doubt that thousands would have been in distress from want of work if it had not been for these exchanges. Also it is true that the exchanges find work for all much quicker than they could possibly do so themselves, thus saving the wage-earners much time between jobs.

The cost of this work in a large city is well illustrated by the accounts of the Berlin exchange. It secures about 100,000 positions annually at a cost of about 100,000 marks. That is, to find a place for a workingman costs one mark or about 23 cents.

A very important part of the work that the exchanges do is to furnish information as to the state of the labor market. In Germany the records of the exchanges are very carefully and accurately kept and the cities use them in dealing with the problem of Unemployment. When it appears that there is an over-supply of labor, municipal work, such as building schools, extending streets, repairing dams, etc., is given to the unemployed. Men are hired through the labor exchange; and as soon as the labor market is relieved and there is plenty of work in private employment the cities suspend as much of their work as possible. There is a definite policy so to arrange the municipal and state work as to have it done during dull times when private employers are laying off their workmen.

What led the German cities to establish free employment offices? It was found to be cheaper and in other ways more desirable to find work for an able-bodied man than to give him charitable support. The municipalities have to support all those who are in distress from want of employment. Labor exchanges find work for many who might otherwise become charges, and also give the authorities a means of determining whether a man is really looking for work or is merely feigning.

Great Britain has since February, 1910, established about 150

labor exchanges which find work for some 1,500 persons daily. Following the lead of Germany also, every continental country, as well as Australia and New Zealand, has established labor exchanges.

Some of our states have passed laws providing for free employment offices, but usually the appropriations for their support have been inadequate and appointments of the office force have been dictated by politicians. The result is that, with few exceptions, their work is insignificant.

Surely it is time for us in America to see the necessity for organizing the labor market efficiently.

La Follette's. 6: 5, 14, 15. June 6, 1914

The Jobless Man and the Manless Job. John D. Black

"Labor: The Milwaukee Labor Exchange reports increasing briskness in the labor market. Contractors in Madison and Racine are offering structural iron-workers 50 cents an hour. Three shipments of 64 men were made to beet sugar growers in southern Wisconsin. Both common and skilled workmen are in great demand in many small cities all over the state. The National Labor Exchange again reports a congestion in the Pacific states, in Detroit and Buffalo, and a prevailing scarcity of laborers in the Middle West."

This report was not clipped from the market page of a city newspaper. But why shouldn't it have been?

Each morning the daily papers publish the transactions of the stock exchange, the wheat-pits, the cattle markets and butter markets. You can find on the market page the exchange price of any kind of produce from a pound of "prime live geese" feathers or a hamper of string beans to a barrel of flour. The alert farmer goes to this page to find out what he ought to ask the buyer for his calves; the enlightened housewife what she ought to pay for potatoes.

Labor, however, is still peddled about the streets. It goes from door to door, on weary feet, often in despair and bitterness, humbly offering itself to perhaps already exasperated buyers. It lines up each morning at factory gates, or before newspaper offices fighting for the first chance at the "want ad" page. There are almost a thousand private employment offices in

New York City; but 85 per cent. of the employers never use them. Sixty per cent. of the employers reporting to the New York Commission on Unemployment in 1911 stated that they could always get all the help they wanted from the people asking for jobs at their plants. Another 3 per cent. selected all they needed from those responding to ads.

Compare this primitive system for marketing labor with, for instance, the marketing of produce. The Bureau of Statistics of the United States Department of Agriculture maintains the most highly developed crop reporting organization in the world. Fifteen or twenty traveling agents, a state agent in each state, three thousand county correspondents, and thirty thousand township and individual correspondents engage in reporting to the bureau at Washington the acreage and condition of the crops. Fifty statisticians collaborate these reports, work by telegraph and telephone so that they take a part in the fixing of prices and directing the flow of produce all over the world.

It was the interests of property that thrust upon the federal government this business of reporting the crops. It is of value to the producer and especially to the broker to know the wheat and cotton crop prospects for the year. These same interests have burdened the government with its weather reports, consular reports, geological survey reports and many others. The interests of property, however, have had little to gain in the past from informing labor as to the condition and location of its market. The burden of Unemployment is all upon the wage-earner. Capital desires a large supply of labor. The longer a man has to look for a job, and the more men he finds looking for the same job, the cheaper he will hire out. And so labor peddles itself from factory gate to factory gate and sells itself for a dollar when it cannot get two, for the factory can do much better without one laborer than the laborer can do without the factory.

But the public also has an interest in the matter. How large that interest is, let these figures from the Bureau of Labor's latest bulletin on Unemployment testify.

Of twenty-nine million wage-earners employed in 1900 nearly six and one-half million were idle an average of one-third of the year. This is equivalent to more than two million men idle all of the year. Every year since 1900 probably two million years of productive labor have been lost—enough to build seventy

dreadnaughts, thirty to cruise along the Atlantic Coast, thirty for the Pacific Coast, and ten more to dog the entrances to the Great Canal; enough to bring the Atlantic Ocean to Chicago through a thirty-foot Lakes-to-the-Gulf deep waterway; or enough to grow thirty thousand trainloads of wheat and corn each forty cars long.

Nearly six and a half million laborers looking for work, or loafing around waiting for work to begin, during one to twelve months of the year—and Congress and our state legislatures driven to restricting the hours of labor for women and preventing the working of children in factories and stores, employers even urging that our contract labor laws be repealed so that they can get all the help they need, mine operators clamoring for more men for their mines, millions of dollars worth of grain going to waste because the farmers can not get help to harvest it. Two million years of productive labor, the equivalent of thirty thousand large trainloads of corn and wheat, let slip through our hands—and millions of our people in actual want and distress. This is the extent of the public interest in the matter. This is the tremendous maladjustment that is written in the books of the social reformers as the problem of Unemployment. The public interest dictates that labor shall find its best market and find it quick.

Furthermore, this bringing together of labor and its market is by all of the tests of the political philosophers an out-and-out public enterprise, a governmental function. Almost any large dealer in farm produce could afford to obtain for himself the information that he needs about crop prospects. Of course many of them do. But the solitary brickmaker in Fostoria, Ohio, will never be able to finance an organization that will discover for him that brickmaking is flourishing and brickmakers are in great demand in Kokomo, Indiana. Neither will private employment offices, no matter how honestly conducted, and though they stand on every corner in our cities, effectually direct the flow of labor to the short-handed industries or to particular plants needing workers—because the information about work or the applications for a certain kind of help are likely to be at one office while the particular workers wanted are at another. The information about labor conditions and labor opportunities needs to be collected over as wide a field as possible and given the widest possible distribution.

In Germany this is accomplished through a complete system of municipal labor exchanges all banded together in the General Association of German Labor Exchanges. Some of the exchanges are also banded together by states. These exchanges keep each other informed as to labor conditions and call upon each other for laborers to fill vacancies occurring in each other's territory.

In 1909 the German exchanges filled 1,500,000 places.

Great Britain's National Labor Exchange with its central Board of Trade in London and four hundred branches in England, Ireland, Scotland and Wales, in the year ending November 30, 1912, filled 700,000 places, although the first exchange was established only in February, 1910.

These figures indicate that the labor exchange idea is vindicating itself in Europe. What is the United States doing with labor exchanges? Three states have municipal free employment offices, six have state offices located in the capital cities, and thirteen other states have altogether fifty-five offices operating in their largest cities. Four states have abandoned the work altogether. Two of the state offices fill less than a hundred places a year, and several others only a few thousand each. In 1910, the last year for which complete reports are published, all the offices combined filled only 350,000 places, and 63 per cent. of these were filled in four states, Massachusetts, Illinois, Washington and Ohio. Except in two or three states, public employment offices must be declared to have failed in the United States; they have fallen far short of what was expected of them; they have not attained the success of the German labor exchanges.

National Municipal Review. 3: 366-70. April, 1914

Is Unemployment a Municipal Problem? Frances A. Kellor

At least nine American cities have answered this question in the affirmative by establishing municipal employment agencies. Nineteen states have established state agencies, but in every successful one, the state law empowers the city to establish and operate such agencies.

The rise of the city as a self-governing unit, the growth of the home rule idea, the establishment of public welfare departments in place of the antiquated "charities" still maintained by

states, the fact that the city is so largely the source of progressive activities in government and civic organizations, these and many other facts bring to mind certain broad questions which it is pertinent to raise as municipal issues.

There are two broad classifications of unemployed—the employable and the unemployable. At the present time these are greatly confused because we insist upon treating the former as a relief matter, which can never be solved by relief measures, and the latter as an industrial problem which lowers the whole standard of business efficiency. The first need of American government is, therefore, some agency for classification of these groups, a task now handled very adequately by volunteer organizations.

I am here primarily concerned with the normal amount of Unemployment of employable people, due to seasonal occupations, casual labor, changing from one occupation to another, entrance of fresh workers into industry and the distribution of immigrants to industries. Unquestionably the centers of this exchange of labor are the great cities. These cities are of two kinds—those which attract numbers of workers because of large industries, and in which trade schools and special schools flourish, as Milwaukee, Detroit, Syracuse, Newark, etc. The second include what may be termed reserve cities where the unemployed concentrate, awaiting distribution to new lines of employment—as New York, Chicago, Kansas City and Seattle. The question of whether cities should bear the burden of the second type of Unemployment is entirely pertinent.

We cannot be said to have any governmental system—indeed, any governmental intelligence in dealing with the matter of Unemployment. Of the nineteen states which have established state labor exchanges, only about four are even comparatively successful. This is due to several causes, inadequate appropriations, failure to regulate private competitive agencies at the time of establishing free agencies, failure to make the state agency the clearing house for all employment exchanges, introduction of politics, objections of trade organizations, fear of their use for strike-breaking agencies, establishment of central offices of administration remotely from labor centers, and failure to establish any co-ordination or proper and prompt exchange of information as between existing agencies. State labor exchanges except where they are properly co-ordinated into a

system, as in Wisconsin, stand today as a negligible factor in the labor market.

Unemployment is not a municipal problem. It is essentially an industrial problem to be solved by industrial methods. But the fact that industries locate in cities and cities are the reserve centers of labor and distributing points places the city in a curious position. New York City is the distributing point for unskilled labor for the entire country east of the Mississippi, Chicago for the middle west, St. Paul and Minneapolis for the northwest. Richmond is the distributing point for negroes coming north, Memphis for negroes going to central and northwestern points; and New Orleans for the southwest, while San Francisco and Seattle distribute from the western coast. New York City is the main center for theatrical agencies, practically making contracts for the whole country. Four-fifths of the unskilled labor handled in New York City agencies is sent out of the city.

The success of any municipal agency must depend upon its efficiency and ability to control the labor market. This will depend to a considerable extent upon the reduction of the number of competing agencies, the protection afforded the unemployed and the ultimate elimination of the *padroni* among immigrant workmen. Here enters the question. "Shall these agencies be regulated by municipal, state or federal laws?" If by municipal laws, the restrictions are, without doubt, hampering. Where such large numbers of unemployed are sent out of the city the exploitation, the misrepresentation, the fraud are consummated beyond the jurisdiction of the city, the witnesses are distant from the place where the agent must be prosecuted, city funds may not be used for city officers to travel beyond city limits, and there is no authority to investigate nor power to prosecute by a city officer beyond these lines.

We, therefore, have the questions: "Shall the state establish agencies in cities, retaining control of their administration and establishing communication between them, and licensing and regulating all agencies within the state or shall this be a municipal or federal function?" In states like Illinois, Massachusetts, New York, New Jersey and Pennsylvania, the question of distributing the unemployed becomes immediately interstate because there the cities are immigrant ports and reserve centers for labor. The interest in the subject and the great danger of dupli-

cating machinery and of further decentralization and disorganization of the labor market, which is now a disgrace to the country, make it necessary that the matter be given careful thought. In Cleveland, the city established a municipal agency when the state had already provided a state agency and similar complications might have arisen in Kansas City. Chicago has a state agency and an Unemployment commission.

First it is essential to determine the type of agency to be established. The prevailing form is where the government assumes responsibility for sending men who will fit the job. I believe that the government agency should be a meeting place for employers and employees and that it should be a center for the fullest clearance of information, but that the terms of the contract and responsibility, therefore, should rest entirely between the employer and employee. We need the elimination of the middleman, not his extension in the guise of a government official. Second, every private agency should use the government agency as a clearing house—by law if necessary. Some of them are so crooked in their dealings that they would not stand such cooperation, but they have no place in a well-organized labor market. Third, advisory committees of citizens, including employers, employees and reputable agents, should serve in connection with such clearing houses, broadening its vision, improving its methods and keeping it out of politics. Fourth, it should be a center of information for gathering statistics, making studies and furnishing publications which would give this country literature on this subject which it does not now possess.

I believe we shall eventually adopt a combined municipal-federal system, with a considerable elimination of the state as a factor. This is due partly to the exigencies of the case. Municipalities are being taken out of politics, the non-partisan movement is being nurtured in our cities and has made little headway in the states. The adoption by cities of the commission form of government, of city managers, and of efficiency methods, naturally makes one turn to them as the best solvers of the problem, combined with the fact that the unemployed center in them. In the five great cities there are more labor exchanges of all kinds than in all of the other states combined.

Cleveland seems to be heading toward an ideal local solution by combining a vocational guidance bureau, an employment

bureau and a city immigration bureau in one division. The first guides the child into the right channels when he is ready for work; the second takes charge of the general problem, and the third has the newly arrived immigrant met on his arrival and safeguarded to his destination.

I do not believe any city will efficiently organize its local labor market which does not first possess complete information for the city in the following respects:

(1) Number, adequacy, location, methods, facilities of *(1)* private employment exchanges; *(2)* free employment centers; *(3)* civic, religious and racial agencies; *(4)* relief societies; *(5)* governmental agencies; *(6)* trade and labor agencies.

(2) Extent, operation and effectiveness of regulation of present exchanges.

(3) Means of obtaining employment statistics and of diffusing accurate information.

(4) Facilities for special classes, as children leaving school, handicapped, and methods of controlling mendicants.

(5) Advertising; extent, kind, effectiveness, cost, waste, and co-ordination with a system of distribution of Unemployment.

(6) Special schools, combining training with positions.

(7) Vocational guidance, with especial reference to methods of placing children.

(8) Advertising methods and organizations which combine training with positions.

I do not believe a city whose labor market is organized on the basis of the preceding information will control the situation successfully in times of stress unless it possesses information along the following lines and has its mind up and can put its mind into operation, even long before Unemployment reaches the maximum period of stress:

(1) Creation of municipal work; advisability of opening factories; furnishing supplies at cost; operation of woodyards and laundries; increasing work in city institutions and departments.

(2) Relief resources; capacity for expansion on administrative and executive sides, as suspension of regulations, ways of finding people, etc.

(3) Means of reaching immediate results of Unemployment; evictions; school attendance; congestion; reduction of

efficiency; demoralization through searching for work; relation to health and morality.

I do not believe a city will find a permanent solution of Unemployment and will so prevent its seasonal recurrence until it has taken up the following matters and made them the subject of investigation, hearings, conferences and meetings for the purpose of regularizing employment:

(1) Study of seasonal industries and of the application of efficiency methods.

(2) Possible dovetailing of industries, with the burden on the industry.

(3) Study of casual labor and means of prevention—preference tests, scientific planning.

(4) Municipal and state employees—civil service organization, use of reserve lists and decasualization of city department labor.

I have tried to make it clear that however adequately a city may classify its unemployed, referring the unemployable to relief organizations, however efficiently it may cover its local problem, and that would be a great advance, the cities are after all the heart of the nation in the Unemployment matter, and it is today a national and not a city matter, and action by cities will serve year by year to clear the issues and show the necessity for federal action.

Therefore, I believe that we stand in imperative need today of a federal bureau of distribution which shall combine three functions: the establishment of labor exchanges in the reserve labor cities, with full powers for investigation and distribution, which shall also be an information center for the whole country; the establishment of a transportation fund, to be safeguarded in its administration; the regulation of all labor exchanges doing an interstate business; and third, the opening of lands for settlers, to be distributed by the government and the investigation of all land and colonization schemes offered to colonists and settlers.

Without such a system, the municipality will find much of its effort futile and wasteful, for its problem being part of the nation can only be solved by the nation.

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The Problem of Unemployment in the United Kingdom; with a Remedy by Organization and Training. Sidney Webb

What is called the problem of Unemployment has now, in most countries of advanced industrial development, become acute. It is not that the poverty and distress is worse than before. In the United Kingdom, indeed—thanks to factory acts and trade unions, and other instruments for upholding and enforcing a standard of life—it is demonstrable that the poverty and distress is far less than in 1795 or 1817 or 1841 or 1879, our years of greatest depression. But those who suffer are, in all countries, more articulate than they used to be. They do not acquiesce in their misery and degradation as inevitable. They know, as we know, that the conditions of industry from which they suffer have been created by our forefathers and ourselves, and that they need not have been so created. They can at any rate be altered if we so choose. And there is, among those who do not suffer, the economists by no means excluded, a rapidly growing feeling that the present organization is indefensible, and also that it ought not to be defended. There is in England, a growing conviction that the problem of Unemployment is now one of the principal preoccupations, not only of the legislature, but also of the heads of the executive government.

I will first state the problem as it appears to me. Any day we find, in every large city, almost at all times, a considerable number of men actually without wage-earning employment for that day, or for many days in succession. At particular seasons of each year this number is greatly augmented. In some years it is greater than in others. These men are occasionally skilled mechanics, or men who have held responsible posts at 30s. a week or more, but to the extent of 80 per cent at least they belong either to the great army of general laborers, or else to that slightly specialized section of it which calls itself "painter" or "builders' laborer." They are predominantly men in the prime of life, mostly between twenty and fifty, with wife and children. They have practically no savings beyond the scanty contents of a one or a two-roomed home. Whether or not they ought to have saved may be matter for argument;

but it is to be noted that the vast majority of them have never in their lives earned as much as £40 in any consecutive twelve months—a sum which would not, at best, leave much margin after providing the housing, food, clothing, and other daily necessaries of the family group. There is, in their occupations, hardly ever a trade union *giving unemployment benefit* to which they could have belonged; in fact, no such trade union has ever been able to collect from so poverty-stricken a class the shilling or eighteenpence a week which any adequate Unemployment benefit requires. The fact that we have to face is that they do not have savings adequate to tide them over periods of Unemployment.

If the community arranges nothing better for these men than the "test workhouse" or even the stoneyard, the vast majority of them do as the poor law administrators wish and intend them to do, namely, struggle on outside—pawning one bit of furniture after another, picking up odd jobs, living on the scanty earnings of the women, making a shilling or two out of the children's labor, begging here and there, getting help from churches and chapels, children's dinner funds, and so on. Every now and then there are "demonstrations of the unemployed" and "Mansion House Funds." The total result is (*a*) the rapid demoralization in *physique* and *morale* of a large proportion of the men; (*b*) chronic semi-starvation for the women and children, with the most frightful results in preventable mortality, disease, and permanent physical impoverishment; (*c*) the reduction of wages to the barest minimum for all the unskilled labor class; and (*d*) the annual recruiting of the army of permanent paupers to such a degree as to nullify all attempts to reduce its total by the wisest curative treatment. I believe this to be one main reason why the number of paupers does not decrease. These results, which are always going on, are alike so patent and so invariable, at once so costly and so injurious to the community as a whole, that it is, in my opinion, worth spending almost any sum, and taking any amount of trouble, to remedy the evil.

The salient fact that emerges from the experience and studies of the problem during the last twenty years is the comparative unimportance, from a statistical standpoint, of the popular figure of the skilled artisan thrown out of work by the introduction of new machinery or other industrial changes, or

the man dismissed because of his gray hairs. The conditions with which we have to deal are not spasmodic or exceptional, but chronic. They concern, not individuals alone, but a whole class. The evil is not even measured by the extent to which the aggregate volume of employment—the total demand for wage labor—waxes and wanes from month to month or from year to year. Even in the best times there are tens of thousands of men in the conditions that I have described. The total number exposed to these conditions can scarcely be estimated, but it is plainly many times larger than the difference between the aggregate totals employed at the best of times and at the worst of times.

The evil to be grappled with is, in fact, not the loss of permanent situations by the particular men who are found to be out of work, but the vast majority of them have never held such situations. It is the casual nature of the employment that, even at the best of times, is afforded to the whole class, of whom they are only an accidentally selected sample. Though there are among the crowd some men who are really suffering from being thrown out of regular and continuous employment, and who quite reasonably aspire to get back again into durable situations, these can at present neither be accurately distinguished nor effectively helped, because of the crowding of the others, who are immeasurably more numerous. What is depressing and destroying the lives of these others is not Unemployment in the ordinary sense. The social problem which is presented, for instance, by the Liverpool dock laborers, is as grave on the days when they get work as it is on the days when they get none—that is to say, we have to take into account not only the particular 10 per cent who may be starving today, but also the other 90 per cent who will quite certainly be equally destitute some other week in the year, or some other year of the trade cycle. No scheme dealing only with the sample of the whole that happens today to be without work can ever be of any real use. It is the chronically intermittent character of the employment of the whole class for which we must find some remedy. What we have primarily to deal with is, as it is rightly put by Mr. Beveridge, whose studies on this question constitute, in my judgment, one of the most important achievements of economics of this decade, not so much Unemployment as "under-employment."

It is the existence of this large class of men living on casual employment—getting a day's work here and there, occasionally working four or five days in a week, and then perhaps only four or five days in a month—that both intensifies the evil of Unemployment and renders nugatory all kinds of "relief work." It intensifies the evil, because as Mr. Beveridge has shown, reliance by individual employers on casual labor creates little crowds of surplus labor at each dock gate, by each wharf, even around each builder's foreman—each crowd waiting wholly or mainly for jobs from that particular source. It is to the interest of each such employer to have waiting for his jobs any moment a crowd large enough to get through the maximum amount of work that he is ever likely to need to get done. Thus there are now collected on the Thames and the Mersey, at Bristol and at Newcastle, at Glasgow and at Hull, not merely enough casual laborers to supply the maximum needs of the busiest day of the port as a whole, if all the needs were combined, but enough to supply the aggregate total of the separate maxima that the several employers may, on many different days, individually require. What is true of dock and wharf labor is true to a greater or less extent of the slightly specialized manual labor employed by the builders and the contractors for engineering works, of the workers in practically all the seasonal trades, of the outworkers in the clothing and furniture trades, and, in fact, in all industries in which there is not a definite regular staff, filling permanent situations. The result of this excess is that the casual employment is rendered even more intermittent and "casual" than it need be. Moreover, so long as there exists this huge army of laborers who never are "employed" in any regular situation, every attempt to provide for the comparatively few skilled mechanics displaced by machinery, etc., the steady man who has lost a situation at twenty-five or thirty shillings a week, through the bankruptcy of his employer, and the other meritorious cases that turn up occasionally at the distress committees, is doomed to failure. The practically inexhaustible flood of casual laborers flows in and swamps the register, swamps the relief work and swamps everything else that a despairing distress committee attempts. And this series of stagnant crowds of casual labor is apparently getting larger and more casual in its character.

Thus it is a necessary preliminary to any useful action for

"the unemployed," in the strict sense, that there should be some organization of casual employment. After much consideration of the problem and of the various suggestions made, I have come to the conclusion that the following plan offers a practicable remedy, and, as far as I can see, the only practicable remedy. I owe this plan mainly to the discoveries and stimulating suggestions of Mr. Beveridge; but he has, I believe, not yet worked out his own ideas to the extent that I am now taking them. In any case he has no responsibility for my proposals.

We must postulate, to begin with, the great desirability, from the standpoint of the community, of putting an end to all "casual" or intermittent employment of wage labor if we could do so, because of its social effects. No housekeeping can stand a demoralizing uncertainty as to whether the week's income will be five shillings or five and twenty. I do not believe that if industry were at all deliberately organized on a large scale, an abolition of casual employment would be impossible. But stopping short of a legal prohibition of a method of hiring labor which is demonstrably quite as injurious to the community as was the truck system, we may reasonably ask those employers who continued to adopt it, to submit to some restrictions calculated to reduce the social evil that they undoubtedly cause. I propose that it should be made legally compulsory on employers, being persons carrying on industrial or commercial operations for profit, *either* to guarantee a minimum period of employment —which might be put at a month—subject, of course, to the power of dismissal of any particular individual for misconduct, and even to the arbitrary replacement of one man by another if desired; *or* in the alternative, in so far as they are unable or unwilling to offer employment for a month, then to hire such labor as they want, whether for a job, a day, or a week, *exclusively through the public labor exchange.*

I propose the development of the existing labor exchanges in London and those of the distress committees elsewhere into a complete national system; with offices opened exactly where most convenient to employers for instance, actually inside the dock gates, or at the principal wharves, or at any other places where sudden demands for labor occur. Office hours should be kept as required. The exchanges should be ready, for instance to supply laborers at five in the morning, and should be telephonically interconnected, and organized up to the maximum

efficiency. As there would be no other opportunity of getting casual employment at all with the possible exception of the odd jobs offered by private persons, not engaged in business; and even these we may hope to diminish, it would not be necessary to make it legally compulsory on the laborers to enrol themselves at the labor exchanges, except under circumstances to be hereafter described. Nor would it be necessary legally to prohibit the existence of other agencies for filling situations. As employers would be forbidden to use them for casual labor, such agencies would automatically cease to compete with the public labor exchanges, and would have, perforce, to confine themselves to filling such situations of at least a month's duration as might be offered to them.

This plan, it will be seen, reduces to a minimum, the proposed restriction on the employer, or the interference with his business. It would cause him absolutely no increase of expense. In so far as he can offer regular employment of a month's duration, he is not affected at all. Even for casual labor, he remains as free as before to hire it by the job or by the day only, for as short a period as he chooses. He will have at his disposal all the men in the whole town who are not already engaged. He may have his own choice of men, assuming that they are momentarily disengaged. He may ask for this man or that; he may keep his own list of "preference men"; he may send for ten or a hundred men in order of his preference, or send merely for so many men without naming them. He may even bargain privately with the man of his choice, and virtually secure him beforehand, provided that he lets the formal hiring take place through the labor exchange. All that he is forbidden to do is, at any time or under any circumstances, to take on casual labor otherwise than through the labor exchange.

The result to the laborer living by casual employment will be that he will find effectively open to him, not merely the particular demand for labor of this or that wharf, or this or that foreman, on which he has been in the habit of waiting, but the whole aggregate demand of the town. We may assume that the policy of the labor exchange would be, subject to any preferences expressed by employers, so to distribute the available men, and so to dovetail the engagements offered to each of them, as to secure to each man who was employed at all five or six days' work in every week. In so far as this was achieved,

we should have done for casual labor what has been done for skilled nurses in most large towns by the various nurses' institutes, etc., and for the members of the corps of commissionaries in London, namely, combined freedom to the employer to hire only for a job, with practical continuity of work to the person employed.

It is interesting to find that there exists, in the United Kingdom, for one important industry, not only a highly organized national labor exchange, but also compulsion on the employers to use it. For nearly half a century there has been maintained by the government, in every port of the United Kingdom, what is called the Mercantile Marine Office. Here alone may the engagement of seamen, firemen, cooks, and other members of a ship's crew take place. At the 150 such offices, masters and shipowners go to meet the disengaged men, pick out those they wish to engage, and sign contracts with them before a government officer. The system works smoothly and well, and gives rise to no complaint. It is significant that there are practically no seamen to be found among the unemployed in distress. They alone enjoy the advantages of a national labor exchange.

There will remain, after the labor exchange has met all the demands upon it, a residuum of men, who are demonstrably not wanted at that moment in that place. This "surplus labor" will be a varying amount from day to day. Some of it will be needed to meet the periods of increased demand for labor—the "wools" and the "teas" at the docks, the pressure on the railway companies at the holiday seasons, the extra postmen at Christmas, the "glut men" at the custom house, the curiously regular irregularities of the printing and bookbinding trades, the increased demand in winter by the gas companies on the one hand and the theatrical industry on the other, the spring rush on painters and builders' laborers, on dressmakers, and trouser-finishers, and so on. But we shall be surprised to find how easy it will prove after a year or two's experience to forecast these requirements *for the town as a whole;* and, very possibly, how comparatively small is the variation in the aggregate volume of employment for unskilled and casual labor of one day or of one month, or of one season of the year compared with another. What remains to be discovered is how far the different sporadic demands can be satisfied interchangeably by the undifferentiated labor that is available. Complete inter-

changeability of labor and complete dovetailing of situations may, of course, not be possible. But probably it would become every year more practicable; and it will obviously be part of the educational training, to be now described, to promote a more complete interchangeability.

The labor exchange would, of course, not confine itself to filling situations in the ranks of casual employment, or from among those whom it had to support. It would receive, and in every way encourage, voluntary applications from employers for labor of better grades, for durable situations; which it would do its best to fill from the best of those whom it had on its register.

When the whole of the anticipated requirements of each town are provided for, it should be the duty of the various labor exchanges to communicate with one another as to the actual or anticipated requirements of other towns. Just as all the labor exchanges in one town would report, day by day, and even, telephonically, hour by hour, to a central office in that town, from which they would all be advised as to the localities where additional men were required, so the labor exchanges of all the different towns in the United Kingdom would report, at least once a day, to the Ministry of Labor, stating (*a*) what surplus labor they had, and (*b*) how much of it was needed for the proximate local requirements; or, on the other hand, (*c*) what shortage of labor they had, or expected to have. Particular labor exchanges could then be put telephonically in direct communication with each other, either with a view to filling particular situations or with a view to an offer, to those laborers who were disengaged, of the chance of migration to the town in which additional labor of any particular sort was required. It might well be part of the help afforded by the state to make this mobility possible by advancing any necessary railway fares.

Theoretically, as Mr. Beveridge quite logically insists, it is not necessary for the labor exchange to do anything more than organize, for the common benefit of employers and men, just whatever private demand for casual labor happens at the moment to exist. But it is, in my opinion, politically impossible to stop at this point. The hundreds of thousands of casual laborers would in that case bitterly resent being deprived of their present gambling chance of getting situations for themselves.

They would still more resent the dovetailing of chances which, whilst securing practical continuity of work to some men, left others without any at all. Public opinion would support them in this resentment. It is therefore, in my judgment, an essential part of the plan that there should be full and frank public provision for the residuum for whom the labor exchange can find no employment. The men and their families have to be fed somehow. Nothing can be more costly to the state than the way in which they are now fed, nothing more destructive of character and health, nothing more demoralizing to the community. We are already driven—first, in the form of "labor test" relief by the boards of guardians during the whole of the last seventy years, and now in the various activities of the distress committees—to provide for these men and their families out of the public funds. Instead of doing this unscientifically and wastefully, because on no well-thought-out and deliberate plan, it would be far better for the community, and less demoralizing for the men, and, possibly, in the long run, even less costly to the state, to put the matter on a systematic basis.

I propose that the residuum of labor—the laborers for whom no employer can be found by the labor exchanges—should be given, without stigma of pauperism, or any attempt to prevent them from applying, *full maintenance in return for training.* It is necessary to keep them; it is necessary that they should not have their time on their hands; it is necessary to make these days of waiting less pleasant to them than days of employment. It follows, from the nature of the case, that there is no room here for any sort of "relief works" or "labor test." We shall know that they cannot secure private employment. Moreover, the residuum of laborers, whom all the employers in the town have preferred to leave to the last, will inevitably be men of relatively inferior physique, relatively bad physical condition, relatively unsatisfactory habits, and relative lack of skill, whom it would be absurdly extravagant and ridiculous to engage to do public work at wages. To create artificial work at wages for them would, in fact, be to defeat the whole object of the proposed organization. These particular men—the residuum, be it remembered, of a far stricter selective process than any one distress committee can now apply—must be regarded as temporarily "out of condition" for useful work. They would, in fact, almost invariably be found eminently suitable subjects for physical, men-

tal and technological "remedial drill" with a view to bringing them up to a higher standard of productive efficiency. Any improvement which it may be found possible to effect in them must not be expected in itself to prevent their future "Unemployment" or "underemployment"—that will not be the object of the training, and it will only mislead the public to advocate it on that ground. Whilst the training will be useful in itself to the community, as well as to the men themselves, its real object in the scheme is (*a*) to occupy the men's time, in order to prevent the demoralization of idleness; (*b*) to supply the necessary deterrent element, so that the men may find their periods of Unemployment less "pleasurable" than their periods of employment at wages. This deterrent element would be found in taking from them, for the whole day, not only all indulgence in alcohol, but also all leisure for idle gossip. They would sacrifice rather more of their liberty whilst they were in training than if they were in employment at wages, and they would get no beer.

I propose, therefore, that there should be attached to the labor exchange organization a series of graduated training establishments of different kinds, partly day and partly residential, to which all those men should be relegated for whom no employment could be found, other than those who had insured themselves, as hereinafter described, against this contingency, or who possessed other means of subsistence for themselves and their families. If they refused to submit to this training they would get no relief of any kind; they would be liable to be proceeded against as rogues and vagabonds; and they could be committed to the penal settlement or to prison. In return for putting in their whole time at the training establishments, and submitting to the necessary regimen and discipline, the men would be fully fed and adequately clothed when necessary, but would be paid no wages or pocket money, whilst adequate home aliment would be granted for the support of their families under suitable conditions.

I visualize these training establishments for the unemployed as graduated and specialized in various ways, as experience may dictate. There will be (*a*) central labor depots, in close propinquity with the principal labor exchange, for what I may call the first-class reserve of the industrial army; (*b*) day training depots of various kinds, for the second-class reserve; (*c*) farm colonies, of at least three different grades, adapted to the needs of the real surplus, which may be found not to be wanted in the towns at all;

(*d*) religion and philanthropy, and (*e*) a penal settlement, to which the recalcitrant and the incorrigibly idle would find themselves committed by the magistrates.

Let us consider these somewhat more in detail. It might well be the best of the surplus laborers selected for physique, regularity of conduct, and intelligence, who would each day be kept within call, ready to meet not only the already notified demands of employers, but also unexpected sudden requirements. For this section, who may be regarded as the first-class reserve, we may imagine the utilization of the existing trade schools within the town, the provision, near at hand, of lecture rooms, gymnasia, and reading rooms; and the organization of suitably alternated technical classes, physical exercises, plain meals without alcohol, lectures, and drill, so as to absorb the whole day. This constant attendance and continuous mental occupation is essential. From these centers would be fetched, hour by hour, such labor as was demanded from any part of the town. At present it stands about at street corners, loafs in and out of the beerhouses, and, in an atmosphere of congenial gossip, goes rapidly to seed.

But there would be another contingent of men for whose services there would be no probable demand that day, or even that week or that month—men who would be demonstrably inferior in physique or qualifications to the selected first class, and who needed more improving in body or mind. Some of these might be sent to specific technical schools for particular forms of training, expected to extend over a few weeks, or even a few months, but liable always to be interrupted if there came an abnormal demand for labor, when the labor exchange would send for them. Others would go to the general training depots, where they would have to attend from 6 a. m. to 9 p. m.—the object being to absorb their leisure and organize their whole waking life—for a properly varied curriculum of gymnastics and drill, trade classes and stimulating lectures, swimming and organized games, interspersed with good, plain meals, and no alcohol—the whole dictated by a consideration of what is calculated most to increase their physical and mental efficiency. This absorption in varied mental and physical occupations of the entire day is essential. Their wives and families, to whom they would return at night, would receive home aliment sufficient for their subsistence.

Possibly at some future time, we should find that there was no further surplus labor in the towns than what could advantageously

be relegated for the slack season to these day training depots. But for the present at any rate, as the result of any success in "dovetailing" various forms of intermittent employment, we should undoubtedly have a clear surplus for which the town had no use. Moreover, there would always be particular men to be prepared for country work, or for emigration. Thus, though the farm colony on a large scale may be only a temporary need, there will probably always be room for a certain amount of training accommodation of this kind. But this, too, should be organized and regarded strictly as educational training and discipline, not as providing employment. The choice of work should be dictated by its educational effect on the men, not by its profitableness. Maintenance should be given, together with home aliment for the family, but no wages. There might be grades of farm colonies; some very rough and physically laborious, others specializing in fruit culture and the finer sorts of market gardening. Men could be moved upwards or downwards, as their conduct and character required, and there might have to be provision for "incurables"—men found really incapable of satisfying any employer, but neither physically ill nor morally vicious—for whom, as for the sane epileptics, who constitute an exactly analogous class, we can do no better than keep them in segregation in the country at such light and easy jobs as they can perform.

In this connection there would be great opportunity for making use of the fervor and zeal of philanthropy and religion. The greatest results in the way of the reclamation and training of individuals have always been achieved by religious organizations. It may well be wise for the state to make a greatly increased use, with proper inspection of farm colonies, and similar settlements and homes conducted by religious and philanthropic committees, for such of the residuum as may be willing to be sent to them in preference to the government establishment. It may well be for all that important side of training that is implied in the strengthening of moral character, the building up of the will, the power to resist temptation, and the formation of regular habits, the most effective instruments are a degree of love and of religious faith that a government establishment with a civil service staff may not always be able to secure. The Ministry of Labor would therefore be well advised to let the denominations and the philanthropists have all the scope that they can take, and only to establish such additional government farm colonies as are found

needful to supplement private effort. This private effort could be subsidized by payments for each case, as has long been done for a whole generation in the reformatory schools, and as is now being done in inebriate houses.

At the base there must evidently be a penal settlement, with whatever drastic disciplinary treatment as may be found most curative. But I suggest that the object must always be to raise and stimulate, never to depress. The principle adopted ought to be that of the indeterminate sentence, subject to a fixed maximum. Every person committed should be committed for as long a period as may prove necessary. He should stay there until he had given to the authorities of the settlement reasonable assurance of being reformed in body and mind. He should always know that he could emerge just as soon as he was able to give that reasonable assurance, when he would rise to the farm colony, and through the various grades of farm colony to the day training depot, and so back to the central labor depot and the chance of a regular situation—subject, of course, to being degraded and again committed every time he lapsed. There would be great advantages in transferring all prisoners to the penal settlement for the latter portions of their sentences, instead of merely discharging them on ticket-of-leave or otherwise, in order that they, too, may have, first of all, a secure provision of subsistence in return for labor, some industrial training, and then a real opportunity of rising to the ranks of honest employment. An analogous working arrangement between prison and labor exchange is apparently acting well in Illinois.

It might be undesirable, even if it were politically possible, to propose a national organization of labor exchanges, with maintenance, to the unemployed in return only for further training, except side by side with an offer of encouragement to the workmen to make themselves, by provident insurance, independent of the whole machinery. Such insurance against Unemployment is at present provided by some of the trade unions, and scarcely at all by any other institutions. At present, however, only about a third of the total of two million trade unionists, and none of the ten or twelve million non-unionists, are insured against Unemployment, "out-of-work benefit" being provided only by the trade unions in the more skilled and better paid trades, which alone are able to afford the necessary premium. For instance, neither the bricklayers nor the stonemasons, though very skilled workmen,

have ever been able to get beyond the very objectionable "tramping pay."

It would be a good investment for the community to aid and develop this trade-union insurance against Unemployment by a grant-in-aid, calculated, perhaps, at one-half what the trade union paid. It would be very desirable to make it a condition of the state-subsidized "out-of-work pay" that (*a*) all tramping pay should be abolished, and (*b*) the recipient should be urged and enabled to spend some of his idle hours at a technical institute, where he could be given instruction in his own trade. The unemployed compositors, for instance, who daily "sign the book" at the trade union office in London and draw two shillings, now usually loaf about Ludgate Circus on the chance of a job. They are generally men of not the highest skill—mostly, in fact, men of very inadequate training and range of work. They had far better spend some hours a day at the neighboring St. Bride's Institute, in technical classes, at work on those parts of their craft in which they are not proficient. With such state subsidy the provision of "out-of-work benefit" would be made possible in many of the poorer trade unions. A greatly increased number of workmen would be induced to insure against Unemployment. A corresponding relief would be afforded to the public organization that had to provide for the unemployed. The last excuse for vagrancy would be removed, and it would be put within the capacity of every provident artisan but still only of the men above the grade of casual laborer, to provide against the contingency of Unemployment in the method most congenial to himself.

But there is no need to attempt to force this subsidy on the workmen's organizations. The thrifty workman may, in fact, be left to do as he likes. So long as he fulfilled all his social obligations whilst out of work, whether by means of insurance or otherwise, the state need not interfere with him. If he did not beg, did not commit a nuisance and did not let his wife and children suffer from inanition, he might, if he chose, abstain from enrolling himself at the labor exchange; but if he were found begging, or tramping without means of subsistence, if his home became unsanitary or his children were reported to be unfed, the first question would be, why are you not at the labor exchange? Commission of any of these offences, by a man who was not taking this obvious means of fulfilling his social obligations, would, of course, be a serious crime. If a man made no

provision for the future when the state had made this possible for him, he could hardly complain of the way in which the state dealt with him for his good when he became destitute. Government subsidies of trade-union insurance against Unemployment will not be rashly declared by any educated person to be impossible, because the system actually exists in Belgium, in Holland, in Denmark, in Norway, in France, and in Germany, with the assent of both employers and trade unions, and is rapidly spreading all over the continent.

A further encouragement might well be afforded to the provident workman. As a large proportion of the situations in the skilled trades are not of the nature of casual employment, but do, as a matter of fact, last for a month or more (or could easily be arranged to do so) it would be in no way necessary for these to be filled through the labor exchange. It might even be desirable to make arrangements also for the shorter engagements and "casual" jobs of the skilled mechanics in such trades to be independently organized. It might be well to provide that where a trade union giving out-of-work benefit, desired, perhaps in conjunction with an organization of employers, to manage its own register of men unemployed and situations vacant, it would be permitted to do so in close connection with the public labor exchange, which would transfer to it at once any applications from employers in that trade, and not fill any such situation unless and until the special office for the trade failed to do so. In this way there would be secured, to those workers in any trade who had been provident enough to insure themselves against Unemployment, a practical preference for all the employment that might be offered in that trade. This conjunction of the trade-union register of unemployed workmen with the public labor exchange cannot be summarily dismissed as impracticable or as ruinous to the employer, by anyone who knows what he is talking about, for it is in full force in some parts of Germany, and apparently working well.

Moreover, it would be open to the employers in any particular trade to undertake, if they preferred the organization of their own casual employment. The Liverpool shipowners, who now refuse to take any trouble to avoid creating a quite unnecessary congestion of surplus labor at the Liverpool docks, with the gravest social consequences, might elect rather than submit to a public labor exchange, to establish such an organization for

themselves. Provided that they offered continuous employment of not less than a month to their men—as a very little organization and a small insurance premium would enable them to do—they would be free to make their own arrangements. They might, for instance, establish a mutual society, which itself engaged the laborers by the month, and supplied them to the shipowners as required. They might even combine both advantages, the mutual society engaging and supplying the regular corps of men, of the number up to which constant employment could be guaranteed and also drawing on the labor exchange in any temporary emergency as any individual shipowner could also do.

In any comprehensive scheme for dealing with the unemployed there are, I believe, two conditions that must be satisfied before it will be adopted. One is that the humane public, no less than the unfortunate laborers themselves, must have assurance that whilst the new and comprehensive scheme is getting under way, there will be no cessation or interruption of the provision already made for the relief of the unemployed workmen and their families. The other is that the scheme shall afford at its other end, some prospect of eventually providing, in some permanent way, for the ultimate residuum of the unemployed. Both these conditions must be met.

The second condition, that the scheme shall afford a prospect of eventually providing in some permanent way for the ultimate residuum of the unemployed, must now claim attention. At present we can do nothing effective for them, because (*a*) we are not convinced that there is any such residuum; or, at any rate, (*b*) we have no idea how large it is; and (*c*) we cannot distinguish it amid the crowd of merely "underemployed" casual laborers. But once a national labor exchange had filled all the demands of employers from one end of the kingdom to the other, and had estimated the probable total of their demands in the approaching busy season or the opening busy years of the trade cycle the number of the residual unemployed would be demonstrated and their personal identity established. The ten or twenty thousand men who might then be under training in the various farm colonies would be an unmistakable object lesson. The nation would have to make up its mind what to do with them.

It would, for instance, be open to the government, at the instance of the Minister of Labor, to decide upon any scheme of

afforestation, or land reclamation, or road making, or for that matter, the calling out of the militia or special reserve for extra training, the building of additional battleships or militia barracks—being socially desirable, but not commercially profitable undertakings, which would not otherwise have been started, but which it might be worth while undertaking in order to increase the aggregate demand for wage labor.

The government might well resolve, rather than maintain 20,000 men in idleness, to give out contracts for such works as have been mentioned, with the view of getting that number of men into situations. The government would do well not to employ the particular 20,000 men who were on its hands, and not even in any way to fetter its contractors in their choice of men. All that it need do to achieve its object is to put its orders on the market or let its manufacturing departments take on more hands, in the usual way, so as to increase the aggregate volume of demand for wage-labor. Then, with all the safeguards of each employer selecting the best men, the residuum on the hands of the national labor exchange would be indirectly drawn upon, and might be practically absorbed. On the other hand, we might come to the conclusion that the 20,000 men whom we might find on our hands—or many of them—could be best disposed of by settling them on the land that they had reclaimed, either as small holders or as cooperative colonists, in order that they might produce their own subsistence.

Or we might find that these 20,000, or many of them, could be best disposed of by being settled on the land in new countries; or merely enabled to emigrate to Canada. Or, again, we might decide that if there were 20,000 men standing idle, the time had come for a reduction of the general hours of labor—say, half an hour a week—sufficient to absorb the surplus labor.

Probably the nation would use a combination of all these methods for particular individuals at particular dates. But not until we have demonstrated the existence of a residuual surplus by a national labor exchange shall we be in a position to make the necessary decision.

Such a plan for dealing with Unemployment by the organization of casual labor will, of course, be dismissed as "Utopian." Experience shows that this may mean nothing more than that the plan will take some years to realize. I will conclude by mentioning two instances in which schemes of remedying social evils,

that seemed wildly "Utopian," have, even within our own time, come about. Less than a century ago the problem of dealing with the sewage of London seemed insoluble. Half a million separate private cesspools accumulated each its own putrefaction. To combine these festering heaps into a single main drainage system seemed, to the statesmen and social reformers of 1820 or 1830, beyond the bounds of possibility. We now take for granted that only by such a concentration is it possible to get rid of the festering heaps and scientifically render innocuous the ultimate residuum. And, to take an even larger problem, less than half a century ago, when millions of children in the land were growing up untaught, undisciplined and uncared for, it would have sounded wildly visionary to have suggested that the remedy was national organization. Could there have been anything more "Utopian" in 1850 than a picture of what today we take as a matter of course, the seven million children emerging every morning, washed and brushed, from five or six million homes in every part of the kingdom, traversing street and road and lonely woodland, going o'er fell and moor, to present themselves at a given hour at their thirty thousand schools, where each of the seven millions finds his or her own individual place, with books and blackboard and teacher provided ready for him—surely a triumph of the "regimentation" in which there is the truest freedom? What has been done with the London cesspools and the English children can be done if we like, with the casual laborers, and probably in much less time.

NEGATIVE DISCUSSION

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Employment Bureau for the People of New York City.[1]

Edward T. Devine

That there are in New York City in good times as well as in periods of depression a very considerable number of employable persons who need work who are not actually employed, may be taken for granted. Immigration, migration from other communities, irregularity in building operations and in other industries, and the seasonal character of many trades, are causes which operate in all communities, but in New York City in a wholly extraordinary degree. Besides such causes affecting large masses of people, individuals, of whom there is a large number in the aggregate, lose much, to them, valuable time in finding work after illness, or when from any other cause they have been compelled to give up their work. For our present purpose it has not been thought necessary to make any estimate of the unemployed. Common observation and the testimony of trade

[1] In the fall of 1908 Mr. Jacob H. Schiff suggested that the Charity Organization Society should call a conference to consider the following proposition:

"The proposition is to organize in the City of New York an employment bureau under a board of trustees composed of experienced men, preferentially from the mercantile and industrial classes.

"The bureau should be placed under a manager of great executive ability, with two or three assistants, the latter to be thoroughly conversant with the classes and their peculiarities which compose New York City's working population.

"The bureau is to establish an organization covering all sections of the United States, so that it shall be in immediate and constant touch with requirements for labor and employment wherever such may exist, but its benefits are to accrue primarily to the unemployed of the city of New York.

"The bureau is to charge a reasonable fee to the employer for the procuring of labor, for which the latter may reimburse himself, gradually, if this is deemed well, from the wages of the employee. It is hoped that by this the bureau will in time become self-supporting; but to assure its establishment and maintenance for a number of years, until it shall have become self-supporting, a working fund of $100,000 ought to be assured at the outset."

The Russell Sage Foundation undertook the expense of a preliminary investigation, and Dr. Edward T. Devine was requested to prepare the report of which this article presents a summary. The full report, with numerous appendices and a bibliography, is printed privately for the Russell Sage Foundation by The Charities Publication Committee, New York.

unions, charitable societies, and the daily press sufficiently establish the fact that in normal years the total number who lose a substantial part of the working year is very considerable, and that in every depression, however local or temporary, the number is sufficiently large to become a matter of grave concern.

The question which is pertinent and important is whether the unemployed are so (1) because they are unemployable, (2) because there is no work to be had, or (3) because of mal-adjustment, which an efficient employment bureau could at least to some extent overcome. It is obvious that if they are unemployed because they are unemployable, the employment bureau is no remedy. The only adequate remedy for a lack of efficiency would be education and training. If, again, they are unemployed because of real and permanent surplus of supply over the demand of labor, it is plain that an employment bureau could not remedy the difficulty. The bureau does not directly create opportunities for work, and its success will therefore depend on the possibility of finding it. In so far, however, as the lack of employment is due to mal-adjustment, that is to the inability of people who want work to get quickly into contact with opportunities which exist and to which there are no other equally appropriate means of access, the employment bureau will be justified. This mal-adjustment between labor and opportunities for labor may either be local, i.e. within the community itself, or it may be as between communities. That is, if there is an actual surplus of labor in New York City there may still be a deficiency in other towns or cities, or on farms in New York or other states, and the employment bureau may therefore find a field for usefulness in equalizing these conditions as between communities.

The time at our disposal has not permitted an original investigation of the extent to which there is an unfilled demand for labor, either in New York City or in other communities. I have, however, addressed a careful letter of inquiry to about thirty persons who would be in position to give definite information on these points, if it were to be had, and whose opinions at least would be worthy of special consideration. The most striking facts about the replies to these inquiries is the complete demonstration that they give that there is no definite information on these matters and that the views of those who have evidently considered them most carefully are apt to be diametrically

opposed. There is, however, a general consensus of opinion among economists and authorities on labor problems that even in periods of active trade there is by no means a complete adjustment between seekers after work and opportunities for employment even within the city.

Practically all from whom opinions have been obtained, economists, employers, trade unionists, social workers, and government and state officials who have had to deal with labor questions, are firmly convinced that surplus labor is a feature of congested communities and not a general phenomenon, that in ordinary times an urgent demand for both skilled and unskilled labor may exist, and does exist, in many communities at the very moment when the unemployed are congregating in other communities, and especially that labor is needed at remunerative wages on farms at the very time when the already overcrowded cities are increasing in population.

The conclusion to which I am forced to come from a painstaking examination of all of the data on this subject available in print, and from correspondence and personal conference with those whom I have thought most competent to advise on the subject, is that there is a need at all times, and in periods of even slight depression a very urgent need, of an efficient system of bringing together as quickly as possible those who are seeking work and those who are seeking workers. I am inclined to think that such an agency would actually increase to an appreciable extent the effective demand for workers. In the words of Mr. Sidney Webb, "it would not only increase the mobility of labor, but would actually increase the aggregate volume of demand, to the extent of the opportunities for profitable employment that the employer now lets slip because he can't get just what he wants when he wants it."

The proposed employment bureau would certainly be one means, and as I shall hereafter show, probably the best means, of meeting this great and permanent need by mediating between work and workers in that large number of instances for which no other especially appropriate means of communication has been established.

I have not thought it necessary to make an independent investigation of the existing commercial agencies for the reason that numerous investigations have been made, and one which is official and doubtless exceptionally thorough, is in progress at

this writing under the direction of the New York State Immigration Commission. Without anticipating the findings of the state commission it is within bounds to say that the private commercial agencies do not meet the need which has been described, that their standards of integrity and efficiency are low, that their real service to employers and employees, except in a few occupations, and in the case of a few well conducted agencies, is exceedingly slight. Operated primarily for profit, they have a constant temptation to over-charge, to misrepresent, and to encourage frequent changes for the sake of the fee. It is a striking fact that the principal argument for the establishment of free state labor bureaus has always been found in the abuses of the private commercial agencies.

The three most important attempts in New York City to conduct a free employment bureau under the auspices of philanthropic agencies are the Cooper Union Labor Bureau, conducted by the New York Association for Improving the Condition of the Poor, the Employment Bureau of the United Hebrew Charities, and the Employment Bureau of the Society of St. Vincent de Paul. All of these have been discontinued; and all for this reason, among others, that the maintenance of a general employment bureau is not the proper function of a charitable society, and that from the point of view of the success of the employment bureau the connection with a charitable society is disadvantageous. If the underlying ideas and policies of these bureaus had been different, if they had had at their disposal a superintendent and staff really qualified to deal with the task in its larger social aspects, and if they had been in position to invest a large capital in creating a mechanism and establishing proper trade relations, it is possible that they might have overcome the handicap of connection with a charitable agency, however serious and embarrassing such an affiliation may be. Their experience, therefore, while instructive and illuminating in many respects, cannot be regarded as conclusive.

Still less importance can be attached to such free agencies as the Free Employment Bureau now maintained at the Barge Office by the German Society and the Irish Emigrant Society. Excellent service has been rendered for many years by this bureau for the particular class for whom it is intended, and there need of course be no attempt to displace it. The same is true of the employment bureaus which deal with immigrants of

other nationalities, and those conducted by the various religious organizations.

There are no statistics as to the total number of persons who are placed in employment by these free agencies. Although the aggregate number of persons affected and benefited is of course considerable, the fact remains that the work of these bureaus is so fragmentary, so uncoordinated and so meager when compared with the number of persons in the city who require such assistance, that it could scarcely be seriously maintained that they meet the need.

By authority of act of Congress of February, 1907, dealing with the general subject of immigration, there has been established in the Bureau of Immigration of the Department of Commerce and Labor a special division for collecting and distributing information to aliens and others interested. Mr. T. V. Powderly, the former Commissioner-General of Immigration, is at the head of this division, and on the theory that the only information which is of interest to aliens or others interested is information concerning a particular job suitable to their own individual needs, the government has established at 17 Pearl Street what is virtually, though not in name, an employment bureau. In cooperation with the Post Office Department and the Department of Agriculture, the Division of Information has undertaken a very comprehensive plan for obtaining information from farmers and others concerning their need for workers, and places this information at the disposal of the superintendent of the local bureau for the benefit of aliens or others who may call at the office. Having the franking privilege and the advantage of cooperation with other federal bureaus, it would naturally be expected that such an employment bureau might develop large proportions and to a measurable extent supply the need for such service as we have been considering.

There are objections, however, to the assumption of this duty by any branch of the federal government. It is impracticable, for example, for the government to distinguish between citizens who would seek to use the bureau as employers, and yet such discrimination is necessary if applicants are not to be sent at unreasonably low wages or to positions where the conditions are unsatisfactory. Questions arise as to calls from employers on the occasion of strikes or lockouts. A voluntary agency could properly insist upon full and accurate knowledge

on all such questions before undertaking to supply a demand. For the government to do so would be to invite friction and antagonism which might have very regrettable consequences. No government official should ever be placed in a position where it is necessary to discriminate between citizens, who, apparently in good faith, are demanding a service which the government has undertaken to supply. Without such discrimination, however, an employment bureau operating on a large scale over a large territory would inevitably become merely a factor in reducing wages and lowering standards of living. If a generous response to inquiries on behalf of the general government means that employers are seeking immigrant labor because it is cheap labor, and if the government by advising immigrants to accept such offers or by facilitating their acceptance becomes a party to such lowering of standards, it may easily do harm which would vastly outweigh the services given in finding employment for a given number of people. This is a danger against which any employment bureau should take ample precautions, but it will be easier and more practicable for a voluntary, unofficial agency to take such measures than for any branch of the federal government.

If, however, the actual work of acting as intermediary is assumed by a voluntary agency properly equipped for the purpose, it is quite possible that cooperation between such an agency and the federal government might be mutually advantageous. If the federal government would collect such information as is apparently contemplated by the immigration law, and would place such information at the disposal of reputable voluntary agencies or make it available in some suitable way to the general public, this would enormously increase the usefulness of the voluntary bureau.

After conference with the secretary of the Department of Commerce and Labor and with the chief and assistant chief of the Division of Information, and with the superintendent of the local bureau, as well as with the commissioner of labor and many others who have given attention to the subject, I am convinced that while there is a great field of usefulness for the division of information, it is not and cannot wisely become an effective intermediary between workers and employment to an extent that will make unnecessary such an employment bureau as is under consideration.

The State Department of Agriculture conducts in its branch office at 23 Park Row, New York City, a special labor bureau for the purpose of supplying farmers of the state with farmhands and transplanting families as tenants on New York farms. The assistant commissioner in charge of this office will report to the department that in the past fiscal year ninety families have thus been sent to the country, and about 900 single men as farm laborers.

Neither the Division of Information conducted by the federal government nor the Agricultural Labor Bureau of the state government would be in any way hampered or displaced by the employment bureau, but both could and doubtless would cooperate with it to the mutual advantage of all concerned.

It is sometimes thought that the cheapening of daily newspapers, and the development of the want advertisements, afford a means of supplying the need in question. Such advertisements have, of course, a distinct field of usefulness, although one perhaps more restricted than is ordinarily supposed. To ascertain whether advertisements by employers and by applicants for work respectively vary in accordance with well known conditions of trade activities and depression, and to get some idea of the nature of the "wants" thus advertised, I have had a careful examination made of the want columns of two newspapers in New York City on selected days in 1902 and 1905, representing what may be considered normal conditions of trade, and in the winter of 1907-08, covering the transitional period from the activity of the early autumn to the depression of the winter. This study of New York newspapers is supplemented by a similar examination on a slightly different plan of the files of Chicago newspapers.

My conclusion, based upon personal examination of want columns, upon this detailed examination of the files of New York and Chicago newspapers on certain selected days, and on conference with others who have been in the habit of following such advertisements in connection with the work of the Free State Employment Bureaus, is that the want columns, although a factor in the general mediation between employers and employees in clerical occupations, in certain kinds of miscellaneous odd jobs, and in some of the skilled trades, do not by any means meet the entire need, and that the question of their usefulness

is by no means to be ascertained merely by measuring the space which they occupy on the padded page of many newspapers.

At my request the director of the Bureau of Social Research in the New York School of Philanthropy assigned one of the fellows of the bureau to the task of interviewing the secretaries of a number of representative trade unions to ascertain what are their methods for finding work for their unemployed members, and incidentally to obtain their views as to the desirability of establishing an employment bureau so far as concerns its possible usefulness to their own members. This inquiry was supplemented by similar interviews with representative employers, with the officers of associations of manufacturers and other employers and with representatives of the important railways.

It appears that in those trades which are completely organized and in which there is practically no non-union labor, the union is itself the ordinary means of communication between employer and employee. In general the system of finding work for unemployed members is exceedingly haphazard. The general opinion of the representatives of trade unions interviewed in the course of this inquiry appeared to be that their mechanism was not sufficient to deal with the situation as a whole or even within their own trades, so far as it is a matter of distributing labor to other communities. There is no doubt that the cooperation of union labor can be secured in carrying out the plan for an employment bureau, if that is desired, and it would seem on many accounts to be very desirable.

Interviews with employers were on the whole rather unsatisfactory because of the indefinite and tentative manner in which the proposition could be explained, but the two interesting results of such interviews are first that there would be no lack of disposition to use the services of the bureau as soon as it was shown that it was in position to do its work, and second that even among the few whom we visited there were some who had reasons of their own for instant hostility to any plan which would by arrangement with higher officials deprive them of their present prerogatives of hiring labor. One service which the employment bureau would be led to undertake, though perhaps not at the beginning, would be the investigation of conditions under which contract labor is engaged and managed on some of the railway systems.

There are no doubt still to be found some who look with

misgiving on any plan for helping people to find work, even though they are expected directly or indirectly to pay for the service, lest the feeling of personal responsibility should thereby be undermined. A bureau, however, conducted on a business basis, expecting eventually to pay reasonable dividends on the capital invested in it, would scarcely be open to this objection. What is proposed is not a paternalistic assumption of responsibility for employees, but the rendering of definite economic service in return for suitable compensation. Workingmen out of a job may now look to their unions or advertise in a want column, or register in a commercial employment agency, or tramp about from place to place applying personally for work. It is the last method that is ordinarily in the mind of those who favor "throwing persons upon their own responsibility" in the matter of finding work. To patronize a well-conducted employment bureau which gave a full equivalent for the fee charged —though the collection of the fee might be postponed until wages should be received—would be only a very sensible and commendable manner of meeting this responsibility.

In order to answer this question, I have thought it expedient to visit personally the free state employment bureaus in Boston, Columbus, Cleveland, Chicago, Milwaukee and Minneapolis, and have obtained such information concerning these and other state and municipal bureaus as is contained in their annual reports and is available in the United States Labor Bureau and elsewhere. While some of these bureaus are, of course, better than others, I regret to report that so far as I can ascertain they are everywhere in politics, and are too perfunctory and inefficient in their methods to become factors in bringing about any real adjustment between work and workers. The salary paid to the superintendent of a free state bureau is $1,200 or less—usually less. He has often only one assistant, and sometimes none. Judging from the experience of New York and other states, the fundamental defects in such state bureaus are not easily to be overcome. The peculiar relation between organized labor and the state employment bureau and the temptation to utilize the bureau merely to make it appear that the administration of the day is "doing something for labor" are apparently ineradicable obstacles in the way of efficient service. The municipal bureaus in Duluth and Seattle appear to be free from the defects of the state bureaus, and it would be easy to make favorable comment

on particular features of certain of the bureaus, especially those in Massachusetts and Wisconsin, but I have been unable to find in any of these state bureaus as now conducted warrant for the belief that the reestablishment of the New York State Bureau would be advisable in itself or that it would in any appreciable degree serve the purpose of giving substantial and practical aid to the community in solving the problem which we have in mind.

Every step in advance in the elimination of fraud and extortion in the ordinary commercial agencies only increases the need of a general agency which shall be in position to command public confidence and shall unquestionably be free from the abuses which state regulation is intended to prevent. Stricter regulation and supervision, while desirable on their own account, do not lessen the increasing need for an agency which will be conducted primarily for the good that it will do rather than for the profits that it can earn.

As a result of careful study of the whole subject, involving a considerable amount of reading, visits to several states and to the national capital, and extended correspondence, the cooperation of the Bureau of Social Research, and numerous personal interviews, especially in regard to the reasons for the failure of experiments which have been made in New York City, I am of the opinion that the establishment of an employment bureau substantially on the lines indicated in Mr. Schiff's memorandum is desirable, that the need for such a bureau is very great, that it is not met by other existing agencies, and cannot be met by other plans more effectively or economically than by that proposed.

The only serious modification which I would recommend is that a fee should be charged to employees rather than to employers, unless it is found practicable and advisable to charge a fee to both. I believe that eventually the bureau could make such a position for itself that large employers would be willing to make contracts with it, perhaps on an annual basis, which would be mutually advantageous, but I doubt the wisdom of charging a specific fee for each employee furnished, especially in the initial stages of the experiment. I have no doubt, however, that from the very beginning it could be made apparent to employees that in paying a reasonable fee for the services of the bureau they would be making a good investment. If employers were charged and not employees, my fear would be

that the tendency of the bureau would be to serve the interests of employers, rather than those of employees. It is of course our desire that it should serve both, and primarily the community.

There is complete unanimity of opinion that the success of the whole enterprise will depend upon the capacity of its executive officer, although it is also conceivable that a board of trustees or managers might be created that would contribute very materially to its success. My suggestion would be that the board should consist of not more than nine members, and that among them there should be at least one labor representative, and one social worker or university instructor interested in the problem on the scientific side. This suggestion is made simply in the interest of efficiency and public usefulness, but if those who provide the capital feel that they should exercise exclusive control over the bureau, some part of the advantage which I have in mind might be secured by creating an advisory board with an even larger representation of such elements as I have proposed for the board of managers.

The general plan on which the bureau should be conducted has perhaps already been sufficiently indicated. Recapitulating, however, for the sake of clearness, I would recommend:

That there be organized in the City of New York an employment bureau under a board of trustees composed of experienced men representing the mercantile, academic philanthropic and industrial classes, each member of the board, however, being selected not so much in his representative capacity as because of his probable usefulness as an active working member of the board. The control should, of course, remain with those who furnish the working funds, but need not be exclusively limited to them.

The bureau should be placed under a manager of great executive ability, with the necessary number of assistants, and the staff should be thoroughly conversant with the peculiarities of the various groups that compose New York City's working population. Herein lies the special strength of the small and often badly conducted employment agencies, that those who manage them really know their people. The employment bureau cannot be expected to succeed unless it can secure similar intimate knowledge of the peculiarities, and especially of the valuable qualities of particular groups. It would be necessary to have interpreters, men to take charge of gangs in transit, and to perform virtually the functions now exercised by the padroni—although without the abuses of that system.

The bureau should establish an organization covering all sections of the United States, so that it shall be in immediate and constant touch with requirements for labor and employment wherever such may exist,

but its benefits should accrue primarily to the unemployed of the City of New York. It may not be necessary to maintain agencies permanently in particular localities outside of New York, although it might be advisable to have one or two branch headquarters. For the most part the agents in the field would be moving from place to place, establishing relations with employers, looking after the interests of men who had been sent to work, and ascertaining when they would be free from particular engagements, so that there would be little loss of time in transferring them to other places where they were needed.

The bureau should charge a reasonable fee to employees, although waiving this, as private employment agencies do, whenever it is necessary in order to supply particular demands and postponing it until it can be paid from wages whenever employees are entirely without funds. Eventually the bureau might make contracts with employers on the basis of compensation to the bureau for its services, but my suggestion would be that the service be free to employers until it had been demonstrated that the bureau is in position to do this work as well as other agencies or better.

On account of the general dissatisfaction with all existing systems—free employment bureaus, ordinary private commercial agencies, want advertisements, employers' exchanges, trade union registers, etc., and for other reasons already indicated, I am of the opinion that an employment bureau conducted as has been proposed with a working capital of $100,000, would eventually become self-supporting, and would pay a reasonable, or even, if that were desired, a very substantial dividend on the capital invested. As the motives of those who would establish the bureau are not, however, pecuniary, but public-spirited, I would recommend that the bureau be incorporated on a plan similar to that of the Provident Loan Society, limiting dividends to 6 per cent and providing that the surplus, if any should be accumulated, be devoted to some appropriate public purpose.

Aside from the main purpose of helping the unemployed to get work, I would expect that a bureau of the kind that is under consideration would have five indirect and incidental but exceedingly important functions:

(1) By competition it would help to eliminate the evils of the ordinary commercial agencies.

(2) By opening up opportunities for employment in other communities, both urban and rural, it would contribute to the solution of the overshadowing and increasingly serious problem of congestion of population in New York City.

(3) It would gradually establish standards of work which might eventually, if the establishment of a State Bureau or even

a National Bureau is found expedient, be taken over in the management of such official bureaus. Conditions in this country do not at present seem favorable for establishing high standards in official bodies of this kind. This is greatly to be deplored, and it is doubtful whether voluntary agencies in the field of social work can render a better service than by working out at private expense and under the more favorable conditions of private initiative, standards of work which will subsequently modify the work of public agencies if they become desirable. Without attempting to anticipate whether social legislation in this country will follow the course which it has taken in all European countries, including Great Britain, we may at least feel it to be a patriotic duty to do anything that is possible to be prepared for such legislation by unhampered experiment with the problems which elsewhere have already become governmental functions. If on the other hand it is found that recent tendencies in these directions are modified or reversed and that such activities are to remain indefinitely in private hands, then nothing is lost but everything is gained by such pioneer work as is now proposed.

(4) It would help to decasualize labor, if we may use a phrase which has become more familiar in England than in this country, but which implies a lamentable condition towards which a large part of our unskilled labor is unfortunately tending. Any employer in undertaking a new job would prefer, other things being equal, to secure laborers who have been at work, rather than men who have been demoralized by idleness or underemployment.

(5) Eventually the employment bureau might exert an important influence on the critical period in the lives of boys and young men when they first begin work. We have child labor committees and a widespread interest in protective legislation, but not enough attention has been given to the kind of work in which working boys from fourteen to twenty years of age are engaged. It is largely lost time, paying relatively high wages at the start but leading nowhere. While it could not become the main function of the employment bureau to deal with the problem, it might incidentally contribute materially to its solution.

The strongest, and to my mind conclusive, argument in favor of the establishment of an employment bureau is to be found in the very dearth of information and even of views which this

brief and necessarily superficial inquiry has disclosed. There appears to be no way of finding how much mal-adjustment actually exists either in our own city or between this and other communities, or of discovering remedies except by trying the experiment. At the end of a year or two of actual work by such an employment bureau as has been proposed, we would have a body of experience and information from which conclusions could be drawn in regard to many important questions of public policy and of private social effort. It may seem extravagant to say that the mere collection of such information and its proper interpretation would be worth all that it is proposed to spend in the experiment even if it should prove to be an utter failure, but I believe this to be a moderate and reasonable estimate. I do not believe that it will be a failure, and have indicated what appear to me to be convincing reasons for believing that it will be a success.

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Uncle Sam: Employment Agent. William B. Wilson

Labor—meaning by this term the great mass of those who toil for their living, from the humblest to the most skilled—may well be said to consist of two entities, both of which embrace the classification and categories known as union or non-union, skilled or unskilled, industrial or professional or agricultural, and male or female. These entities may be broadly described as the "employed" and the "unemployed," two abstract terms by means of which the labor movement can be at once identified.

The last available statistics show that in 1900 there were 29,073,233 persons ten years of age or over engaged in gainful occupations, as follows: agricultural pursuits, 10,381,765; professional service, 1,258,538; domestic and personal service, 5,580,657; trade and transportation, 4,766,964; and mechanical and manufacturing pursuits, 7,085,309. Of these, 6,468,964, or 22.3 per cent, were unemployed at some time during the year, the period of idleness varying from one day to the rare extreme of twelve months. Only 2.5 per cent were idle from seven to twelve months. Roughly estimated, therefore, every fifth wage-earner is unemployed at some time. But, regardless of whether

every fifth wage-earner in the United States (or perhaps every third now, if Unemployment has increased), is without work, the fact remains that we have in this country a great number of persons without work.

The organic act creating the Department of Labor declares that the purpose of the department shall be to foster, promote, and develop the welfare of the wage-earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment. In the execution of that purpose the element of fairness to every interest is of equal importance; and fairness between wage-earner and wage-earner, between wage-earner and employer, between employer and employer, and between each and the public as a whole, has been the supreme motive and purpose of our official activity.

It is evident that improving the working conditions of wage-earners means to look after that entity of the wage-earning class in this country that is already employed by endeavoring to bring about a better understanding between them and their employers, and to obtain for them all reasonable betterment, such as higher wages, shorter hours, sanitary surroundings, and opportunities for self-help. Advancing opportunities for profitable employment means not only to enable a wage-earner to obtain a promotion with a corresponding increase of salary, but also to provide profitable employment to the unemployed, to secure the most permanent work and the highest possible wages.

So far as the employed element is concerned, the Department of Labor has made great progress. In any of three ways the welfare of wage-earners could be fostered while the prosperity of employers and the peace and good order of society at large were conserved. Amicable settlements between employers and employees without mediation are manifestly first in the order of preference. Mediation comes next. Arbitration is third. But any of the three is preferable to strikes or lockouts.

But now the Department of Labor has started a real, intelligent effort to ascertain the number of wage-earners out of work and the causes of Unemployment, the number that may obtain employment, and where it may be had throughout the United States. In this the government is undertaking the task of providing employers with partners in production, the workman with information which may keep him steadily employed—a work which parallels the government's interest in indicating to

manufacturers and producers where they may find markets for the finished product.

It happens every year, and at various times during the year, that men of a given calling are idle in one locality, while workmen of that calling are needed elsewhere. This is due to two causes: lack of information among the idle wage-earners and the employers who need them, and lack of means to defray transportation expenses in getting from the place of idleness to a place of employment.

The problem was to find a simple and yet efficacious method of bringing this information to the attention of those who needed it—information that had to be widely advertised in conspicuous places to which everybody had access. At last a plan was formulated by means of which, with the aid of the Post-Office Department, information relating to the distribution of labor could be widely scattered and posted under the auspices of the United States Government.

The plan consists of dated bulletins sent out by the Department of Labor to postmasters throughout the country, by whom they are posted on the bulletin-boards so that every post-office patron—and this means practically every man, woman, and child —can easily refer to the information. These are known as "Bulletins of Opportunities." They are replaced with others from time to time as necessary, and suitable notice is given when they become inoperative.

This plan has received the indorsement of the various state authorities, who have been, and are, cooperating with the Department of Labor in scattering information about labor opportunities and conditions in their respective states.

For instance, on May 27 last, Charles L. Daugherty, State Labor Commissioner of Oklahoma, informed the Department of Labor of opportunities to work in that state, and the following bulletin was sent to postmasters with the request that it be posted in a conspicuous place and have public attention called to it through the press, in the hope that the needs of the farmers of Oklahoma might be supplied and idle men afforded employment:

> Would it be possible for you to communicate the needs of this state by way of men for the wheat harvest through any of the official channels of the state department? We will need from 12,000 to 15,000 men at from $2 to $2.50 per day with board to help harvest our wheat and thresh same,

and 85 per cent of men so employed will be given employment in this state by the farmers in handling the various forage crops, which promise a big yield at this time, thereby guaranteeing from four to six months' steady work. The state will maintain free employment offices at Oklahoma City, Enid, Alva, Woodward, Frederick, and other points in the state to help distribute the men, and any publication you can give this matter through your department will be greatly appreciated by the citizens of this state.

On June 24 the Division of Information sent out the following notice to postmasters requesting that they remove from their bulletin-boards the notice of May 27 and substitute it with the later bulletin:

The state officials in Kansas, Oklahoma, and Missouri have notified this division that a sufficient number of men have proceeded to those states to meet the demands for help in the harvest fields, and South Dakota advises that many applications are being received for work in that state.

All persons are accordingly advised not to proceed to any of these states with the expectation of procuring work in the harvest fields without first communicating with and securing definite assurances of employment from one of the following officials: Director of the State Free Employment Bureau, Topeka, Kansas; State Labor Commissioner, Oklahoma City, Oklahoma; Labor Commissioner, Jefferson City, Missouri; and Commissioner of Immigration, Pierre, South Dakota.

Later and more detailed bulletins, covering opportunities for work to couples and individuals, are a development of the same plan. One of these bulletins contains nine opportunities. In some cases transportation is advanced by the employers.

In Blue Earth County, Minnesota, one married couple was required—the man to husk corn at 5 cents a bushel, and all other work at 17½ cents an hour; the wife to cook and receive $4 a week, including free house, garden patch, fuel, and milk. In Frontier County, Nebraska, a man, American, English, German, Swedish, or Danish, single, was wanted for a permanent position, to pay $15 to $20 in winter and $20 to $25 in the summer, transportation being furnished.

Thousands of similar opportunities have come to the attention of the Department of Labor, with the result that every step will now be taken to acquaint the general public with them. At the present time these opportunities, and the department's activities in that connection, are strictly limited to alien immigrants, but as soon as plans have been perfected Congress will be asked for authority and a suitable appropriation to enlarge the scope of this work so as to make it useful to citizens of the United States.

The promotion of a beneficial distribution of admitted aliens is not, as many believe, solely in the interest of the foreigners who immigrate to the United States. It would not be beneficial to this country to have any considerable number of the aliens who are admitted remain in idleness or sell their labor in ruinous competition with American workingmen. After the alien has landed he should not be permitted to wrong himself and others through ignorance of opportunities about which he can know nothing, but which could be made known to him on landing or afterwards, when he will be in a more receptive mood than when, anxious and worried, he is passing examination for admission.

Thousands of immigrants go at once, on being admitted, to localities where their labor is not in demand, and have to remain indefinitely awaiting employment. Often this leads to congestion in our big cities. Even if not educated in our language or their own, they are surely intelligent, and often unusually experienced workers, and it would be a reflection on that intelligence to attribute their remaining idle in one place, rather than working in another, to either choice or a previous knowledge of existing conditions. It came under the personal observation of the chief of the Division of Information that a number of aliens passing through Ellis Island were destined to a certain locality in Pennsylvania where they could not obtain employment without displacing others. These workers furnish a supply for the labor agent, the employment agent, and the *padrone* to direct later on, and it is a well-known fact that many of these agents, through collusion with corporation foremen, practically sell the same workmen over and over again for a fee of $1 or $2 a head.

In connection with this new plan of labor distribution it is pertinent to remark that it would be of great help in filling a long-needed want in behalf of not only alien but also American workers in seasonal trades, whose occupation depends upon the seasons of the year and, inferentially, on the geographical location. It would offer what may be called a vacation with pay, on the assumption that a vacation is not necessarily a period of idleness, but more a change of scene and a change of occupation.

A tailor, for instance, normally working at his trade eight or nine months in the East, could, with advantage and benefit, avail himself of an opportunity to work out of doors in the

middle west for three or four months. He would gain in health because of the change of climate and the fresh air; working with his muscles, without strain to his eyes, would rest the latter after the strain occasioned by such minute work as stitching; a change of diet from ordinary boarding-house or lunch-room food to healthy country meals would be desirable; and last, but not least, he would have no need to impair his savings. Meanwhile his absence from the city would give some one else a chance to do what extra work there might remain to be done.

These opportunities are not limited only to the single men; they are equally good for married couples. If there are children, some difficulties might be encountered, but these are details that each must study out for himself.

Unemployment, as a fact, is something with which the public is not familiar. The assertion has sometimes been made that the Unemployment question in the United States is unimportant; that all desiring work in this country can obtain it, and that those who are idle, although able to work, are idle from choice.

Were it true that the Unemployment of able-bodied persons is due solely or largely to laziness, the amount of Unemployment would obviously remain fairly constant. Not many more persons are sick or disabled or lazy in the winter than in summer, and certainly no more in 1903 and in 1909 and in 1914 than in the intervening years.

Yet, taking the New York statistics for example, it is readily ascertainable that there are intervals of periods of high Unemployment, and that they return more or less regularly. Among union workers in New York and Massachusetts two or three times as many are idle at the end of March as at the end of September each year. In September, 1905, only 4.8 per cent of all union workers in New York were reported idle. In March, 1906, the percentage was twice as great. By March, 1907, it had doubled again, and by March of the following year it had nearly doubled again. Clearly, incapacity or laziness, or both combined, do not vary to the extent thus indicated. The weather is doubtless an important factor in causing seasonal fluctuations, but cannot account for variations from year to year. Labor disputes, the New York statistics show, were a more important factor in years of low Unemployment than in other years. It becomes obvious, therefore, that the great changes in the amount

of Unemployment are due primarily to variations in the demand for labor.

Careful study of tabulated statistics shows that the all-important cause of idleness is lack of work. The number idle from disability remains fairly constant, but the corresponding percentage necessarily rises with the decrease of Unemployment from other causes. This brief consideration of causes of Unemployment, which include lack of work, lack of stock, weather, labor disputes, disability, strikes or lockouts, other causes and reasons not stated, is sufficient to establish as fallacious the frequent assertion that all who desire work in the United States can obtain it. Even if at the best seasons of the best years industrially all who wanted work were employed, some would be out of work the next month, and many more, it is evident from the above considerations, the following year or within a very few years. Those who become unemployed would of course be less efficient, but if all were equally capable some would lose their jobs simply because industry could not use them.

The tendency of American life is away from the farm. The first object the immigrant's eyes focus on is the sky-scraper, the many-storied factory, or the coal mine. Nothing to indicate that agriculture is carried on in this country is disclosed to the immigrant, who is to become a future citizen, on landing. It is therefore necessary for us to see that immigrants, the largest percentage of whom are trained agriculturists against a very small percentage of skilled artisans, shall proceed to those localities in which agriculture and agricultural pursuits offer the best inducements and prospects. Otherwise the result will be to lose a good agriculturist and never obtain in his stead a skilled city workman.

In a consideration of agencies for the distribution of labor it must be remembered that such agencies deal with one phase, but only one phase, of the Unemployment problem. If men are out of work because no work is available, such agencies are of no value. Likewise, if wage-earners are idle because they are either unwilling or unable to work, an employment office can accomplish nothing. Again, if unskilled men are idle when skilled men only are wanted, there is no place for an employment bureau. If, however, men with certain qualifications are idle at a time when employers are seeking men with those same qualifications, then an employment agency can be of service.

This most obvious limitation upon the usefulness of employment bureaus is important. Much of the criticism to which these agencies, particularly free public agencies, are subjected is due to a failure to recognize the limits of their usefulness. They cannot make work and they cannot give workmen energy or ability. They can serve the public only when the condition of the labor market permits them to do so.

Within the field thus defined employment offices have a great opportunity for usefulness. An employer in need of help cannot know what particular man is idle or in want of work. The unemployed workman cannot know which one of a thousand employers needs his services. To bring these two persons together is the province of an employment agent, and, whether his office is maintained by the state or municipality, supported by a charitable society, or operated for gain, if he accomplishes his purpose expeditiously and satisfactorily he has performed a valuable service.

In the benefit accruing to both parties through the intermediation of an employment agency may be seen the justification for the commercialized agency, which charges a fee. In the effect upon the character of the workman, as well as the material benefit to him and his family, is found the argument for the philanthropic agency. And in the advantage accruing to the public through a lessening of Unemployment is the justification for free public employment bureaus. In addition to these three general classes of employment agencies two others of importance may be enumerated: those maintained by large firms or by associations of employers, and those maintained by labor unions.

In the meantime the plan of gathering information as to opportunities for work in all states, whether for one person or for several thousand workers, and presenting this information to the public in general by appropriate bulletins posted on the official bulletin-boards at the post-offices, cannot fail to do good. As was noted at the beginning of this article, less than a month intervened between the time of the notice from Oklahoma requiring 15,000 harvest hands and the subsequent notice that the places were filled.

This is quite an improvement over past years, when farmers in the West complained late into the summer that failure to obtain the requisite number of farm hands at harvest time always caused them heavy losses of money or grain.

It is to be hoped that Congress will see its way clear to enable the Department of Labor further to expand this employing movement, to perfect this clearing-house of labor, and, particularly, to enable us to adapt its usefulness to the needs of the American workingman, because there are hundreds and thousands of opportunities for betterment, for a change of location, or for higher wages for American toilers who would take advantage of the opportunity to better themselves if they only knew where to go or to whom to apply. Every vacancy created means one more place for the unemployed; and if we can devise and perfect the plan whereby we can keep aliens from congesting the cities, thus giving the city-bred folk better chances and less competition, and at the same time indicate a way to the city folk to better themselves by taking advantage of opportunities elsewhere, mutual help will thus be created for the unemployed.

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Labor Exchanges in England. H. W. J. Stone

You will inevitably do more harm than good unless you approach this question of social reform with a full consciousness of the immense difficulties which surround it, and the dangers which must necessarily accompany it, unless it is carried out in a spirit of caution and sobriety, which I confess may not be absent from the projects of radical social reformers, but is lamentably absent from their speeches.—Mr. Balfour, at Edinburgh, 24th October 1911.

In giving utterance to the above words Mr. Balfour had the National Insurance Act particularly in mind, but it is to be feared that they apply with equal force to the disappointing results—admittedly disappointing results—of the Labor Exchanges Act of 1909.

Whereas the birth of labor exchanges in Germany would appear to have taken place some time between 1893 and 1896, the first labor bureau in this country was established at Egham in 1885. The Egham bureau was established on a voluntary basis by the late Mr. Nathaniel Louis Cohen and some friends; but, being an isolated institution serving only a limited area, was foredoomed to failure, except in so far as the experiment contained the germ of an idea. The experiment, however, was well worth making, as the experience gained proved most

helpful in 1906 when Mr. Cohen became a member of the employment exchanges committee of the Central (Unemployed) Body for London, working a system of exchanges throughout the Metropolis. Following on the Egham experiment, various municipal bureaus were established from time to time; but failure dogged their efforts, mainly because of unintelligent management and an absence of cooperation. The Labor Bureaus (London) Act, 1902, was responsible for a flitting revival of these institutions in the Metropolis. Mr. H. D. Lowry, one of H. M. inspectors for the Local Government Board, reported in 1906 the existence of twenty-one municipal and three non-municipal bureaus. Twenty of these during the twelve months ending March 31, 1905, filled 16,290 situations. Eleven of the municipal bureaus were in London and ten outside. At that time the Finsbury Borough Council's bureau was the only one transacting any substantial volume of business with ordinary employers. The others were mainly recruiting offices for the supply of scavengers to borough surveyors, or were ultimately merged in the work of the distress committees. So far as London was concerned an effort was made by the London Unemployed Committee (established by Mr. Walter Long in 1904, when he was president of the Local Government Board) to secure cooperation between the various metropolitan bureaus by means of a central exchange, in order that a man registering for work at Hampstead might have an opportunity of hearing of suitable work offering at Lewisham, and so forth. This effected a slight improvement until most of the bureaus were merged in the work of the distress committees, but it is more than doubtful whether the scheme could—under the most favorable circumstances—have succeeded ultimately, on account of the control of each bureau being local and its cooperation with the central exchange being optional, resulting in a total lack of coordination. Thus, although the first bureau in England (that at Egham) preceded the German experiment, the German exchanges, working on scientific lines, became more speedily of real utility; and by the time the first organized attempt at establishing labor exchanges in this country was made by the Central (Unemployed) Body for London in 1906, the German exchanges were sufficiently advanced to serve as a model.

From the evidence of Mr. Walter Long and Mr. Gerald Balfour given before the Royal Commission on the Poor Laws,

it would appear that they regarded the establishment of labor exchanges as an integral function of the bodies administering the Unemployed Workmen Act, 1905; but, with the exception of London and Glasgow, no action in the direction of establishing exchanges appears to have been taken by the local bodies. For this inaction the Local Government Board (by this time under the presidency of Mr. John Burns) cannot be accounted blameless, for there is no record of any effort being made between 1906 and 1909 to draw the attention of local bodies to their powers and duties with regard to the establishment of exchanges under the act. As a result of this slackness the only evidence of any value before the Royal Commission on the Poor Laws and Unemployment was that relating to the working of the metropolitan employment exchanges, and the value of that evidence was necessarily discounted because of the extremely limited area to which it related. These metropolitan employment exchanges were under the direct control of the Central (Unemployed) Body for London, the registrations at the twenty-six local exchanges being totally distinct from the registrations at distress offices; and the normal vacancies in the industrial market were the sole outlet to which the exchanges sought to introduce their applicants. The whole system was telephonically linked with a central exchange, which acted as a clearing house for the Metropolis; and in its main essentials the system of working was that now adopted by the Board of Trade in working the Labor Exchanges Act, 1909. These exchanges were poorly housed and inadequately staffed. For a long time the limit for rent, rates and taxes fixed by the Central Body was £60 per annum, irrespective of locality. For furnishing and structurally adapting the central exchange and twenty-six local exchanges a sum of £1,000 was allocated. From first to last the Central Body appear to have lacked a sufficiently full and intelligent understanding of the interesting experiment they were administering in the capital of the empire in a spirit which cannot escape the charge of parsimony. Notwithstanding the many initial difficulties, however, these exchanges (now absorbed in the Board of Trade system) effected a distinct improvement on previous efforts.

Although the results achieved by the metropolitan employment exchanges were of a more encouraging nature than those achieved by previous efforts in this country, their success can

only be regarded as relative, and as being due to their comparatively superior organization; and, above all to their being under a single control. The staff deserve a very high tribute of praise for their enthusiasm and zeal in endeavoring to achieve success in the face of many discouragements—not the least of which were the lack of intelligent sympathy from the Local Government Board and from the main body of members of the Central (Unemployed) Body itself. Their one source of encouragement was the Employment Exchanges Committee, headed by Mr. W. H. Beveridge (chairman), whose indefatigable efforts have received their reward in his appointment as the first director of the Board of Trade Exchanges.

The Unemployed Workman Act, 1905, was avowedly an experimental act. It was originally given a life of three years; but, under the policy of drift pursued by the present government with regard to Unemployment, it has been included in the Expiring Laws Continuance Act each year since 1908. The "wait and see" government have not availed themselves of their experience of the working of the act to formulate any comprehensively constructive scheme to put in its place. In 1909 Mr. Winston Churchill (then president of the Board of Trade) decided to introduce the labor exchanges bill; but whether his determination was prompted by the imminence of a general election, or by the fact that he had satisfied himself that he was justified in so doing by the results achieved by the metropolitan employment exchanges, is a matter for conjecture. If the latter was his prevailing consideration, his optimism does not appear to have been justified by results. However, the bill became an act, and a national system of labor exchanges was launched.

The results anticipated by Mr. Churchill from the establishment of labor exchanges were greater mobility and decasualization of labor; and he dwelt eloquently on the expectation that they would do away with the necessity for an unemployed workman going on tramp seeking work, or that Great Britain was leading the way by being the first country in the world to establish a *national* system. These expectations show us the results to look for from their establishment, and it will be interesting to see how far Great Britain's departure from the safe path of experience has been justified by results. It may also be profitable to consider whether, and how, any lack of success can be remedied. The exchanges have had the inestim-

able advantage of starting on their career during a cycle of prosperity, and at a time, therefore, when it is to be assumed that employers should be active dealers in labor. It is quite clear that unless there are both buyers and sellers of labor the exchanges can be of no real service to the community. Therefore, if the exchanges do not succeed in becoming an effective factor in the organization of industry with rapidity, the cycle of trade depression which is shortly due will militate against their success for so long a period as to force them to lose the confidence of the workers—and consequently of the employers also—to such an extent that it will be almost impossible for them to regain it against the next cycle of prosperity. In short, they must "make good" immediately, or be damned.

It is an undoubted fact that the venture has not been an immediate success. The exchanges started opening in February, 1910, and by July, 1913, 430 had been established. It is a very significant fact that although three and three-quarter years have elapsed no annual report has yet been issued. It is, of course, understood that the period of beginnings is not the time to arrive at sweeping conclusions; but, on the other hand, if the first three years' working had revealed encouraging results, after making due allowance for the initial difficulties, there is little doubt that the Board of Trade would have shown no more reticence in publishing the fact than they did in publishing a report on what they consider to be the satisfactory working of unemployment insurance in July of this year—twelve months after the National Insurance Act came into operation. It is a safe assumption, consequently, that the Board of Trade regard the first three years' working of the exchanges as disappointing. This view is confirmed in the Report on Unemployment Insurance by the Director of Labor Exchanges and Unemployment Insurance (p 43). in which the following passage occurs:

> It seems clear that much *could be done, and needs to be done,* towards reducing Unemployment . . . . by hastening, through labour exchange organisation, the passage from employment to employment.

Apart from the monthly statistics of working, which appear in the Board of Trade Labor Gazette, and the figures which are given in the Annual Abstract of Labor Statistics, no statement of any description has been published, with the exception of one on November 15, 1911, on the first nine months' working, and that only when it was pressed for by Mr. Pike Pease in

order that the House of Commons might be placed in possession of some information on the subject when considering Part II of the national insurance bill. It cannot be claimed that this statement is a very informing document, being mainly statistical, and containing nothing in the nature of a report on the experience gained. The figures given in the statement show that during the first nine months 1,197,843 applications for employment were received on the General Register (i.e. excluding the Juvenile and Casual Registers) which is based on the "Adults Trade Table," published in the Labor Gazette month by month; 414,138 vacancies were notified by employers, and that of these vacancies 324,270 were filled. The Board of Trade's "Fifteenth Abstract of Labor Statistics" [Cd. 6228] gives the figures of working (General Register) for the whole of 1911 as follows:

Applications received	1,945,763
Vacancies notified by employers	760,938
Vacancies filled by exchanges	593,739

Thus, during 1911, for every 100 applications for employment vacancies were offered for 39.1, of which the exchanges were only capable of filling 30.5, leaving 69.5 unsatisfied. At the time of writing (August) the Board of Trade's "Sixteenth Abstract of Labor Statistics" had not been published, so the figures for 1912 are not available to the general public. These figures interest two sets of people who are invited to use the exchanges, and who, whether they accept the invitation or not have as taxpayers to pay for their upkeep—two sets of people, moreover, without whose joint cooperation the existence of the exchanges cannot be justified—viz., the working man and the employer. It is apparent that the applicants' chances of employment through their medium are not rosy—69.5 per cent is a most disappointing proportion of failures. Employers are urged to engage their labor through the exchanges "because they have to pay for their maintenance whether they use them or not," and "because they will be saved the trouble and expense entailed by newspaper advertisements, with the additional advantage of securing a picked selection of hands instead of having crowds at their gates." Employers who fell a prey to these specious blandishments on the part of the officials only succeeded in 1911 in securing 78 per cent of the hands they applied for. This, notwithstanding the large surplus of workers in each trade on the exchange registers! From July, 1911, to July, 1912, there was

a large unsatisfied demand by employers for workmen in the shipbuilding trade. Yet, throughout this period, there was never less than 7,000 and usually more than 8,000, shipbuilding operatives unemployed, and considerable sums have actually been paid by way of Unemployment benefit to men in this trade. With these facts before us, it looks like faulty organization when more than one in every five situations offered cannot be filled. Up to the present the confident expectations of Mr. Churchill, so eloquently expressed on the second reading of the bill, fall signally short of realization.

One of the most valuable advantages promised from the system was the increased mobility of labor. The exchanges were to provide machinery for shifting workpeople from districts where the supply exceeded the demand to places where a shortage of workers in their particular callings existed. The instance referred to above with regard to the shipbuilding trade shows that we are yet far from realizing Mr. Churchill's hopes. The "Abstract of Labor Statistics" gives no information regarding the migration of workers. It is only fair to say, however, that the statement regarding the first nine months' working gave figures on this point which were more encouraging than any others in the statement; although fuller information would be required before any adequate estimate could be formed of the value of those figures. During those nine months 41,513 cases occurred in which persons were placed by the exchanges in districts other than those in which they were registered. This does not necessarily mean that a change of domicile was occasioned in a very large proportion of these cases. For instance, it is stated that these figures include transferences between the various London exchange areas; and they doubtless include similar transferences in contiguous provincial areas. The old metropolitan employment exchanges effected 3,892 such transferences between July, 1907, and June, 1908, and it must be remembered that their area was confined to the administrative County of London; whereas "London" under the present scheme means "Greater London." So much for the mobility of labor, but when it is a question of mobility there can be no doubt that capital possesses far greater fluidity than labor. That possibly explains partially why the exchanges have not met with a greater measure of success. Largely as the result of foreign tariffs and of recent legislation, capital has been leaving this country in increasing volume. That capital, instead of employing

British labor, is providing a livelihood for the foreign worker. No amount of labor exchanges can hope to solve the problem of Unemployment. When our economic conditions are such that capital can be more profitably employed here than it can be abroad the labor exchanges should do a brisk business, and might even be regarded as worth the £200,000 per annum which Mr. Churchill anticipated they would cost during the first ten years. Taking this as the actual amount—and I shall show that it has been largely exceeded—each job filled during 1911 (including the 125,304 casual jobs) cost 5s. 6¾d. The casual jobs must necessarily include many that are only of a few hours' duration, and many of those filled from the general register are known to be for less than a week. This is a very costly process compared with the German exchanges. The average cost per situation filled at Cologne and Düsseldorf is 4¼d., at Frankfurt 6½d., at Freiburg 7d., at Strasburg 8d., and at Munich 10d.

While on the subject of cost, the question naturally arises as to how many of the situations filled would remain unfilled, or would be filled less rapidly, if the exchanges did not exist. It may safely be assumed that under our existing economic conditions very few fall into that category—so few, indeed, as to afford little or no justification for the existence of such costly machinery. There can be little doubt that a goodly number of these jobs would be filled with the identical applicants without the medium of this machinery. Several government departments now take on their hands through the exchanges, and the men who used to apply to these departments direct are now instructed to register at the exchanges, which in some cases are actually provided with lists of the names of the men required. The corporation of Glasgow had some such arrangement when their distress committee maintained an exchange under the Unemployed Workmen Act, 1905; and very possibly the arrangement has been transferred to the new concern. There are doubtless other instances. The post-offices now engage their casual labor (Christmas and otherwise) through the exchanges, although they have never experienced any difficulty in securing all they want many times over without the assistance of the exchanges. The post-office requirements are very exacting, and after the exchanges have gone fully into the credentials of the men the whole work is commenced anew by the post-office. This amounts to two departments doing the work which is

capable of being performed—and more satisfactorily performed —by one. Such arrangements have the effect of swelling the number of transactions, if they detract from the value of the statistics, but the result is inevitably more officials and an increasing burden on the taxpayer.

When the act was introduced it was urged that the success of similar institutions in Germany justified their establishment in this country. It is quite arguable that the economic system of Germany is favorable to their success, whereas results would appear to point to the conclusion that our existing fiscal system does not supply the required atmosphere for their successful growth. Be that as it may, the statistics of working make exceedingly gloomy reading after perusing the following tables:

Development of Principal German Exchanges

A—MALES

Exchange	Population 1905	1896 Situations Filled	1896 Percentage Filled of Situations Offered	1896 Percentage Placed of Applications
Berlin	2,040,090	10,030	97.8	77.5
Stuttgart	249,000	10,474	73.3	59.3
Munich	539,000	15,653	93.5	49.1
Frankfurt	335,000	9,145	..	..
Cologne	429,000	7,823	96.4	70.4
Dusseldorf	253,000	[1,291]	..	..
Freiburg	74,000	4,974	86.3	45.5
Strassburg	168,000	922	..	..
Nurnberg	294,000	4,818	61.6	57.6

A—MALES—*Continued*

Exchange	1901 Situations Filled	1901 Percentage Filled of Situations Offered	1901 Percentage Placed of Applications	1906 Situations Filled	1906 Percentage Filled of Situations Offered	1906 Percentage Placed of Applications
Berlin	54,528	93.7	66.7	84,375	76.9	..
Stuttgart	12,900	75.4	48.7	37,893	84.1	72.5
Munich	24,358	89.5	56.8	29,658	86.3	83.1
Frankfurt	16,149	..	..	22,285	82.8	42.5
Cologne	12,480	97.2	38.5	21,805	95.3	60.7
Dusseldorf	..	..	..	25,862	9.40	68.9
Freiburg	6,014	77.2	40.1	11,268	74.3	50.1
Strassburg	1,494	..	..	12,171	64.0	53.4
Nurnberg	4,940	90.3	32.5	9,878	82.9	95.4

B—FEMALES

Exchange	1896 Situations Filled	1901 Situations Filled	1906 Situations Filled	1906 Percentage Filled of Situations Offered	1906 Percentage Placed of Applications
Berlin	1,662	2,072	15,182	61.3	..
Stuttgart	2,638	3,843	18,427	68.1	92.0
Munich	9,933	20,815	24,015	63.7	74.1
Frankfurt	534	5,913	15,701	74.4	82.5
Cologne	4,301	7,784	7,359	66.0	93.8
Dusseldorf	(17)	..	2,844	72.3	71.4
Freiburg	1,892	2,935	6,433	67.4	72.4
Strassburg	1,004	1,040	3,293	51.3	48.2
Nurnberg	142	3,193	4,940	61.2	95.2

It will be noticed that the total number of situations filled during 1906 in these nine exchanges, serving a population of 4,381,090, approximates very closely to the figures for the whole of the United Kingdom during the first nine months of 1911. Even in 1896 (the period of beginnings for the German exchanges) the percentage of applicants placed never fell so low as that disclosed by the Board of Trade, while the general percentage of situations filled to situations offered was better. It must further be borne in mind that the German exchanges are not a national system under one control working over one large area. They are mostly municipal and voluntary. It is a noteworthy feature that the Nürnberg labor office had in 1904, 1905, and 1906 to cope with a demand for labor in excess of the supply. This holds good not only of the aggregates, but also of each of the various trades and occupations dealt with, with the exception of general labor. Even there, however, the number of applications only exceeds the number of situations offered in the proportion of 107.4 to 100.

From the outset it has been the avowed object of the exchanges to effect the decasualization of labor. This, under given conditions, is an excellent object; but to attempt carrying it into effect before any provision has been made for those who must inevitably be squeezed out of industry in the process is very little short of a crime against humanity. No such provision for the victims of this process has been made, yet the labor exchanges have already embarked on this project. With the threatened approach of a cycle of trade depression such a course is a menace to the unskilled ranks of industry. It is true the process is only being carried out to a limited extent yet,

but the figures produced show that the proportion of persons who divide the various jobs filled from the Casual Register is being materially reduced from month to month. The Second Annual Report of the Port of London Authority contains a significant statement, intimating plainly that the process is to be extended. The authority is empowered by clause 68 of the Port of London Act, 1888, to establish labor exchanges of their own in docks under their control. The statement is as follows:

> The staff of the Authority at March 31st, 1911, numbered, 13,429, as follows:—Salaried 1,298; wages—permanent men on the establishment, 5,314; not established but regularly employed by the week 1,944; and extra men—daily average, 4,873, a total of 13,429 persons.
>
> Several conferences have been held with shipowners and other employers of dock and riverside labour on the subject of the regulation of casual labour, but, unfortunately, have not resulted in any common basis of agreement being arrived at. The Authority, after consultation with the Board of Trade, at that Department's request, has submitted a provisional scheme for the establishment of ten Labour Exchanges at various suitable points in the Authority's dock systems, to be controlled by a committee upon which the Board of Trade would be represented.

In conclusion, the exchanges have been in existence long enough to prove the correctness of Mr. Churchill's assertion that they would not make work, nor, taken by themselves, prove a cure for Unemployment. What other measures do the government propose taking? They have embarked on a limited compulsory scheme of unemployment insurance; but labor exchanges plus unemployment insurance will prove, it is to be feared, but quack remedies after all. The labor exchanges have served a very useful purpose in demonstrating the futility of our existing fiscal system. They have proved that during a time when our trade returns are quoted by the Free Trade Union as showing unbounded and unprecedented prosperity our labor exchanges fail to secure work for 69.5 out of every 100 applicants. Quite apart from fiscal considerations, it would appear that some measure of the lack of success which has dogged the exchanges is attributable to incompetent management. On December 13, 1911, Mr. William Peel (now Viscount Peel), in the House of Commons, elicited from the president of the Board of Trade the information that the London divisional officer had approached the London County Council Education Department with a scheme for improving the education of the exchange officials (including managers). The curriculum proposed contained some very elementary subjects. Fortunately

for the London ratepayers, the L. C. C. did not entertain the proposition. Apparently the motto of the Board of Trade is "First appoint your official: then educate him." Be this as it may, the fact remains that the exchanges have proved to be costly cures for Unemployment—cures which do not cure. In this connection it is interesting to recall the peroration of Mr. Bonar Law's speech on the second reading of the labor exchanges bill on June 16, 1909:

> As far as one can judge, if eloquent speeches could cure Unemployment, this government would do it; if anything else is necessary we must await for some other Government.

Surely, a prophetic utterance!

Nineteenth Century. 64: 331-42. August, 1908

A Workman's View of the Remedy for Unemployment

James G. Hutchinson

Speaking as one of the older workmen who in my time has known what it is to be out of employment, and to have to turn out and seek for work, in a period of depression in trade, day after day, and week after week, and fail to find it, I can certainly claim to have a living interest in the consideration of this phase of the difficulties of a working man's position. Not that it can be said there is anything novel or unusual in the fact that many worthy men and women are often laid idle through want of work. This has at all times been a regular occurrence. And it is only now, when the socialist unrest by which we are surrounded has become more accentuated, that attempts are being made to find "cures," whereby the cloud of Unemployment which lowers darkly over many a workman's home can be dispelled, and work and its resulting wages resumed, along with the comfort and contentment they invariably bring in their train.

A notable example of this character that has been strenuously brought to the front just lately is the establishment of labor exchanges as a "cure" for Unemployment. Public offices where employers could ascertain where bodies of workpeople are available for carrying out work they have in hand, and working people where their services are required. It is argued that

through this medium workmen and employers could be more readily brought together, that the organization and "decasualization" of labor would lead to greater permanence of employment; and that by a drastic process of weeding out, the "reserves of labor" would be materially reduced, while those remaining would have—on the principle of the survival of the fittest—become more worthy.

All this very probably is true in the main; but to carry the argument so far as to believe that the registration of the requirements of labor, or giving more facilities for its movement from place to place, is a "cure" for shortage of work, is, to my mind, simply a stretch of the imagination, and further, as the idea is not new, only another exemplification of the truth of the old adage—that there *is* really nothing new under the sun. For, if it is not exactly as old as the hills, it certainly carries us back to the middle ages; to the far times when the craftsmen's guilds and lodges of Freemasons were doing somewhat analogous work in this direction to that carried out in our own day by the trade unions of this country. Moreover, without it being necessary for us to rely upon the unions for information of this nature, or the labor bureaus established by many municipalities; or even setting up additional labor exchanges as proposed, where a shilling advertisement in an evening paper would serve the purpose quite as well; it would be easy to prove without all this bureaucratic routine that workmen generally are not now without accurate knowledge of where large works are in progress and employment likely to be met with; the freemasonry that obtains among all distinctions of labor prompting men to tell each other of any town or place where work is to be found. And my experience of this feeling of comradeship between man and man is that it is displayed independent of whether they are unionist or non-unionist, *esprit de corps* impelling men who are in employment to give this information to their less fortunate brethren. And, independent of the question of who would have to pay for their institution and upholding, they appear to me to be a work of supererogation, as the agencies we already have are ample for the purpose. And again, to elaborate this point, on which the whole argument hinges, I have never yet, after a life-long experience of the vicissitudes of labor, been confronted with the difficulty of getting to know where work was to be obtained, whenever or

wherever it was to be had for the asking. And further, I believe the solution of this problem, when it is arrived at, will be found to lie far deeper than can be fathomed by any schemes which can be devised for the mobility of labor. To my thinking, to put the whole matter into a nutshell, the most radical cure for Unemployment—shortage of work—can only be defined by what is virtually a self-evident proposition—that is, the provision of a fuller and better paid average state of employment. And I have no doubt this remedy, although it may appear to be a fanciful one, could be easily achieved by wise economies on the part of capital and labor. Capital by according to the workman such a share of the profits of their combined management and industry as would impel him to believe that he was being fairly dealt with, and compel him as a fair-minded man to render a more adequate service for his enhanced wages. And labor by making a much more sensible use of the money which has been earned, in its expenditure on articles of utility, the production of which will in effect prove an addition to the sum total of employment.

Nineteenth Century. 58: 116-26. July, 1905

Organised Labour and the Unemployed Problem

Isaac H. Mitchell

Whatever may be the object of the government in introducing the Unemployed Workmen Bill, whether for the same reason which induced the premier to parade "Old Age Pensions" on his election card in 1895, or from a genuine recognition that there is an unemployed problem and a sincere desire to grapple with it, certain it is that the introduction of the bill marks the entrance into the domain of practical politics of this much-debated question. The press no longer dismiss it with ridicule, and the public are at last realizing that there is not work for everyone who wants work.

It has taken some twenty years of very persistent agitation to bring the people of this country to a recognition of this fact, and, now that it is recognized, the air is full of Unemployment and its remedy, relief funds, schemes, government reports, labor bureaus, unemployed committees, etc., all no doubt doing more

or less good, but calculated to rather confuse the inexpert with the multitude of their proposals.

Of those interested in the question probably none have more to gain or lose by the state or municipal intervention than those connected with the trade union movement. Not only is it the trade unionists upon whom Unemployment most sorely presses, and the extent of that pressure, even yet, is scarcely fully realised. It is general in all parts of the United Kingdom. In populous London and sparsely inhabited districts of Scotland and Ireland it has led to congestion of the former and the depopulation of the latter. It is constantly with us, varying in intensity between an unemployed army of 200,000 during good trade to upwards of 1,000,000 in times of exceptional distress.

It is the nightmare which haunts every working man and woman anxious to maintain his or her position as a respectable member of society; it is responsible for the decadence and wreckage of more lives than any other agency beyond the individual workman's control.

It creates a demoralising feeling of dependence which frequently leads either to the sapping of the workman's best characteristics or to reckless revolt. It crushes freedom and fosters tyranny, and daily compels the workman to choose between a sacrifice of his self-respect and the happiness of his wife and family.

Affecting the trade unionist as it does in this way it can be readily understood that great efforts have been made by organised labour to meet the problem, and it is no exaggeration to say that for over fifty years the trade union has been the only agency which has sought to solve the problem. This effort at solution has largely shaped the whole trade union policy so far as working-hours are concerned, both as regards the taxation placed upon excessive overtime and the desire for a shorter working day, these demands being made with a view to so regulate employment as to prevent periods of rush and stagnation. The great agitation of the early nineties for an eight-hour day was an effort to obtain a shorter day not so much for the pleasure of the extra leisure, as because of a belief that shorter hours meant more regular employment. And even now at trade union and labour meetings reference to the opportunities for study, for more time for recreation which a shorter day would bring, result only in a modicum of applause, while an

appeal by a speaker to the best in the worker, a word picture of the horrors of Unemployment, rarely fails to elicit the tumultuous appreciation of a working class audience.

Added to this the trade union financier, the real backbone of the labour movement, the scientific exponent of trade unionism, the man who desires to see his union's finance conducted upon an actuarial basis, sees with mixed feelings what is being done by trade unionism in its efforts to keep its members free from parochial relief, with pride at such display of fellowship, and with regret at its necessity. Without the aid of private charity, parochial assistance, or government subsidies, the trade unions disburse to their members as unemployed benefit yearly sums ranging from 190,768*l.* in the good trade year of 1899 to 504,214*l.* in the bad trade year of 1903, a sum which, it is safe to say, will be increased by 100,000*l.* when the figures for 1904 are to hand.

These yearly sums compare favourably with the total amount which it is proposed to raise under the Government Unemployed Workmen Bill.

Coming to closer detail, we find that fourteen unions in the metal, engineering, and shipbuilding trade, with an aggregate membership of 180,688, spent in 1894 no less than 258,620*l.* on unemployed benefit, a sum equal to 28*s.* 7*d.* per member. When it is remembered that generally if a member is receiving benefit he is exempt from contributions, it will be seen that in 1894 the members of these fourteen unions must have contributed something approaching 2*l.* each to maintain those who were out of work. One union, the Boilermakers and Iron Shipbuilders, had at one period in that year one-fifth of its total membership unemployed. Another union, the Amalgamated Society of Engineers, expended on this benefit last year 126,988*l.*, or 1*l.* 6*s.* 5*d.* per member, a sum which, notwithstanding that it is an increase of 39,739*l.* over 1903, is no exceptional amount, as in 1894, a period of great depression, the amount expended reached 141,465*l.*, or 1*l.* 17*s.* 5¾*d.* per member; the total amount expended by this one society since 1851 on this benefit being no less than 3,022,669*l.*

It will be seen from these figures that the trade unionist, apart from his ordinary citizenship interest in this question of Unemployment, has an even greater personal interest, inasmuch as Unemployment is one of the great risks of his calling, and

also because during a period extending over half a century the trade unionist has valiantly endeavoured to meet and provide for this risk by associating with his fellows in buildng up these magnificent self-help organisations and in endeavouring to meet the difficulty without recourse to outside aid. It is safe to say that notwithstanding the magnitude of the task, had trade unionists been met with less opposition in their endeavour to shorten the working day and minimize overtime, the present unemployed crisis would never have arisen.

Now that it is necessary to do something it might have been expected that, with fifty years' experience, with the great financial responsibility resting upon trade unions, with the excellent machinery at their disposal, and with the precedent which is religiously followed by all governments when it is proposed to deal with matters which touch established interests, some heed would have been given to what could be done by an extension of the principles upon which this work is being so admirably carried on by the trade unions, instead of which, in every particular, the proposals of the government entirely ignore them. Before proceeding with an examination of these proposals of the government it may be well to emphasise the fact that the problem, as has already been pointed out, is not one confined to the unskilled workers. Engineers, carpenters, textile operatives, all skilled, semi-skilled, and unskilled workmen suffer under it. Any solution, therefore, or even any palliative, must aim at relieving the position as affects the skilled artisan as well as the unskilled labourer. It might even be said that the unemployed artisan suffers more acutely than his less skilled unemployed comrade; the latter's tastes are fewer, his wants more simple, and his position in society easier maintained during enforced idleness than the better-paid worker. The removal from the relatively good neighbourhood, the gradual sale of the best pieces of furniture, the shunning of his former associates because of his threadbare clothes, the broken hopes of his possibly young wife in being unable to maintain a good and well-clad appearance, and the sight of the wearing out of his children's clothes, who in better days were always neatly dressed, cuts to the heart of a respectable artisan in a way which has got to be experienced to be fully realised. Any attempt, therefore, to deal with the problem must take the skilled workman into account. It must also be remembered that workmen do not

desire, nor is it likely they will be successful if employed at occupations other than those they usually follow. Whether looked upon from the point of view of the economy which results from placing men in employment at which they are specialists or from the point of view of harmonious working, it is essential that the engineer should be employed as an engineer and not a road-sweeper, the compositor as a compositor and not a navvy. Apart from the fact that it is unfair to the unskilled worker to have the competition increased by those in higher grades dropping down into his occupation when necessity compels, there is the greater objection that skilled workmen object, and rightly so, to dropping out of their grade. The solution must therefore be one which checks the labour glut in all employment, and not simply a provision which offers employment for which large numbers are totally unfitted, and which, even if they were physically able to undertake the work, would tend to lower them from the standard of living and employment they formerly followed.

It is in this respect probably more than any other that the government bill will prove the greatest failure. Leaving aside for the moment the machinery by which the act will be administered, the bill proposes to assist workmen to find employment in three ways:

1st. By the establishment of such machinery as will bring employers in want of workmen, and workmen in need of employment, in touch with each other.

2nd. By subsidising employers who accept applicants recommended to them by the Unemployed Authority.

3rd. By the Unemployed Authority itself providing temporary work. As the expenditure of moneys in this connection is restricted to farm colonies, the inference is that any temporary work provided will be at farm colonies.

The first of these proposals at once takes the form of labour bureaus, registers, etc.; the bill, in fact, expressly provides for the establishment of such agencies.

The encouragement given to the formation of these labour agencies is no doubt in part due to the success or seeming success which has followed their establishment on the Continent and in America, and the tendency there is in certain localities in this country to experiment on some such means of bringing employer and workman together. We have an account of their working in America and also on the Continent from a Massa-

chusetts report lately published, which says that "thirteen states in America have established free employment offices, and their reports show that they have been uniformly successful." In foreign countries, the report goes on to say, the result seems to have been as successful as in the United States.

In many directions, in fact, we find this tendency to the establishment of labour bureaus. In America, on the Continent, in London, under the Mansion House scheme, in many of the metropolitan and provincial boroughs under the municipalities, the first remedy resorted to by those who aim at relieving the unemployed pressure seems to be the formation of a bureau. Whether these bureaus, when established, fulfill expectations is questionable; certainly the reports from many of them are more or less disappointing as far as results are concerned, and even where they do show an appreciable proportion of situations obtained to applications made it is doubtful if this seeming success represents any real benefit, as, had the bureau not been in existence, the possibility is that, by personal application or the ordinary means adopted by employers when labour is wanted, the vacancies recorded and filled from the bureau would have been filled without the bureau. The question is, does the labour bureau tend to the employment of more workers, or does it simply result in one workman being employed through his having registered himself in place of some other workman who would have secured the position had there been no bureau? If the latter view is the correct one, as most trade unionists believe, the bureau is simply a further multiplication of official machinery without any real use so far as the solution of Unemployment is concerned.

The labour bureau returns further show that the applicants who patronise such institutions are just that class of worker who has made little or no effort on his own behalf by joining a trade union.

The question of interest to trade unionists, and to all who prefer that such agencies should be under the control of the workmen themselves, is as to how far this tendency to establish labour registries is likely to affect the excellent work already being done by trade unions. As shown from the return on page 201 the total average number per month who registered in twelve bureaus in 1904 was 2,697 men. These men consisted of all sorts and conditions, good, bad, and indifferent. The conclusion

to be drawn, therefore, is that a general atmosphere of inefficiency pervades the whole establishment. Here there are all types of workers possessing all sorts of qualifications and disqualifications, having no common understanding as to the remuneration which should be sought and obtained before employment is accepted. The result must necessarily be a lowering of the trade union standard of living and an increase rather than a decrease of competition. This danger will be further increased by the type of employer induced to patronise these agencies. The present method by which workmen obtain employment is by personal application, generally aided by a recommendation from one of the workmen already in the factory or workshop. If he is a member of a trade union he knows exactly the rate which should be paid and the general conditions recognised in the trade, and even if lacking in complete knowledge he is quickly put into possession by his fellow trade unionists when he starts work. The employer, we may take it, who is desirous of recognising trade union conditions has no need of a labour bureau. He can, without the slightest difficulty, obtain all the labour he wants at the shortest possible notice, either skilled, semi-skilled, or unskilled. What is true of the upright employer is equally true of the organised workman. The trade union organisation is now so perfect, the outlook for possible vacancies so keen, that almost before the foreman has made up his mind about employing an extra man, applicants are waylaying him.

Occupations of Applicants for Work at Twelve Bureaus in 1904

	Average Number of Applicants per Month	
Labourers (Building Trade)	126	995
Labourers (general)	869	
Porters and messengers		371
Stablemen, horsemen, &c.		307
Building trades (other than labourers)		203
Clerks and warehousemen		160
Engineering and metal trades		150
Woodworking trades		55
Factory workers		34
Printing and bookbinding		29
Other occupations		393
		2697

What, then, is the bureau for? Whom does it attract? Surely only the employer who desires cheap workmen, and only

the workman who, because of his inferiority or some other cause, is prepared to accept less than trade union rates.

The alternative to the labour bureau is of course the trade union vacant book office, and the general trade union machinery by which every workman may obtain information, help, and assistance of the most reliable character in every part of the country at the shortest possible notice.

It is only necessary to reproduce a portion of one of the monthly reports which are now general in all trade unions to explain this really magnificent organisation.

Monthly Report

G signifies good; V G, very good; M, moderate; B, bad; V B, very bad; D, declining; S, strike; I, improving.

Branches	Number of Branches in each Town	State of Trade	Number of Members	Number Unemployed
Blyth	1	M	80	4
Boston	1	M	37	—
Bradford	3	V B	890	54
Brighton	1	M	209	1
Bristol	4	B	645	25
Bury	2	G	466	8

Particulars as to sick, superannuation, and other details are also given.

Here we have a report published monthly which gives particulars in this trade from nearly 600 branches in the United Kingdom, from all our colonies, the United States, and even from parts of France, Malta, and India. The engineer seeking employment sees at a glance the hopelessness of proceeding to Bradford, where, out of 890 members in the branch, fifty-four are unemployed. Added to this information there is the fact that each of the branch secretaries supplies any information any member may desire.

Similar information is supplied by the Carpenters and Joiners' Society, the Boilermakers, Shipwrights, and by nearly every other society concerning every trade of any importance in the country, and aggregating something like 5,000 to 6,000 branches.

This method has all the advantage of being particularised, inasmuch as each member is classed as an expert in his particular branch of the trade. The members are men of character, know their value, and, above all, are doing something to solve

their own problem without having recourse to the patronage of labour bureau advocates, or incurring the danger of being manipulated by cheap labour employers.

The difference between the two methods may be summed up as follows:

The labour bureau is a menace to the standard of living, inasmuch as it attracts the inefficient worker and cheap labour employer. It weakens the character of the workers because it removes from them responsibility for organisation. It is entirely unnecessary.

The trade union method upholds the standard of living because all members agree only to accept employment on recognised conditions.

It attracts the efficient workman and the fair employer. It strengthens the character of the workman because it makes him responsible for the organisation of his own trade.

The present government have become so accustomed to meet difficulties by recourse to "doles"—the clergy, the agriculturist, the shipowner, and the banana importer have each had a turn—that it is not surprising to find some such proposal in their bill. It is true that Mr. Gerald Balfour has explained that the proposal does not mean that ordinary employers will be subsidised, and we may take it that only such work as that undertaken by the Salvation Army at Hadleigh will receive assistance in this way. The system, however, whether in ordinary employment or in special employment, is wholly bad; no dividing line can be drawn between work which would be done under ordinary circumstances and useful work which is undertaken to find workmen employment, but which without subsidies could not be undertaken. The tendency is that work which would have to be done sooner or later and paid for at the ordinary rate is simply undertaken sooner, and instead of costing the ordinary price a subsidy is received and the work obtained at a cheap rate.

A shrewd employer or an enterprising capitalist, American or otherwise, who desires to be advertised will easily be able to obtain his advertisement and probably have his work done cheaply at the same time. Everyone admires the magnificent work undertaken by Mr. Edward Cadbury at Bournville, Mr. Joseph Rowntree at the model village at York, and Mr. Lever at Port Sunlight, but if, for the trade union conditions under which the villages at Bournville, York, and Port Sunlight were

built, there is to be substituted a subsidised form of employment which will enable philanthropy to be exercised at cheap rates, an opinion will rapidly grow up against the modern "rate-in-aid-of-wages system." The argument, no doubt, will be that only employment of the most unskilled class will be subsidised, and in that case we may conclude that the proposal will do little to solve or relieve the problem of Unemployment. The possibilities of its being abused are, however, none the less dangerous because it may be confined to the cheapest labour.

The third method is by the employment authority itself providing temporary work.

Based as it has been upon the Mansion House model it is easily seen how this will operate. The moneys raised by rate can only be applied to farm colony work, and as a *last resource* possibly this method of finding employment is aiming in the right direction, but very few workmen indeed will avail themselves of such a method. It will only be when men are in desperate plight that they will leave their home, wife, and family, and go miles to work for a less sum than is ordinarily paid for such labour in the district. Even if the "lesser weekly sum" proviso has only reference to a shorter working week and not a smaller rate per hour, is it at all likely that men, even unskilled labourers working in London, will go to any farm colony to work for the rate which prevails in that district when we remember that 14, 12, and even as low as 10 shillings per week is paid in some agricultural centres?

When workmen demand that something should be done to solve the unemployed problem, they do not mean that they are going to accept work away from their homes at 'less than that which would under ordinary circumstances be earned by an unskilled labourer for a full week's work.' This is no solution. Even unskilled labourers will reject the proposal with ridicule, and to offer clerks, shopmen, carpenters, engineers, etc., such work is to demonstrate a total want of knowledge of the feeling behind this unemployed agitation. What is desired is for each specialised workman to secure employment at that work at which he is a specialist, and this specialisation operates from the highly skilled scientific mechanic right down to the builder's labourer and the gas stoker. Any proposal which places the workman at labour with which he is unacquainted is economically wasteful, and will be accepted as a makeshift, with the accompanying demoralising effects consequent upon such work.

The growing opinion amongst trade unionists is a doubt as to whether legislation will do very much to solve the problem. Recent consideration of the subject by the leading labour leaders of the country points rather to administration than to legislation. They recognize that, whether it will always be a feature of trade and industry or not, certainly at present great fluctuations take place in the demand for labour. During the last twenty-five years this country has seen depressions which became most acute about the middle of each decade, 1885, 1894, and now again in 1905. Similarly in 1882, 1890, and 1899 we had periods of exceptionally good trade. The obvious necessity to meet these fluctuations is that labour should be elastic; it certainly is elastic, but this elasticity takes the form of the employees in good times working at high-pressure speed for long hours and the enforced total idleness of large numbers in bad times. Surely the better form of elasticity would be to make the hours of labour vary and elastic rather than that the number of men employed should vary so largely. Many employers, to their credit, adopt this method, and while it may be true that in many trades such a regulation of working hours would not be possible, it is equally true that in many trades such a regulation is possible with beneficial results to all concerned. The history of employment under the direct supervision of the government has, however, during these last five years, been a record of gross aggravation of the difficulties of employment. In 1900-1 frantic efforts were made in every arsenal and government factory in the country to obtain men. An artificial demand was set up as a result of the war. Thousands of men were engaged, only to be ruthlessly discharged in 1903-4. At Woolwich Arsenal, Enfield Small Arms Factory, and all the dockyards, the cry has, during the last two years, been "Reduce and economise." The stupidity of the extravagant expenditure and reckless production of the two former years has had to be met by an equal stupidity of miserly cheeseparing in the two latter.

The facilities for production must necessarily be such that sudden demands for labour can be met, but up to now the only elastic part of the system has been human labour, and the limits of that elasticity have been, on the one hand, continuous work frequently aided by vicious stimulants until exhausted nature has called a halt, and, on the other, the total absence of employment, with all its accompanying horrors of ill-fed children and demoralised parents.

Trade unionists neither believe in excessive work nor its total absence; both are degrading, both vicious; they believe a healthy mean can be obtained and maintained if the employers display a businesslike aptitude in carrying on their business. Up to now, all mistakes and all mismanagement have been met by resort to labour's elasticity. If war is declared without the country being prepared, labour is called upon to work all hours. If expenditure has been exceeded, labour is discharged in thousands.

What is true of governmental captains of industry is true of most public bodies and private firms. Ability to regulate in this manner should be part of every industrial captain's equipment.

It is readily admitted that, notwithstanding such regulation, fluctuations will take place. To meet these fluctuations nothing seems more sane than that, on the first sign of depression, works of public utility should be proceeded with. The government and all public bodies have always an enormous amount of work waiting to be done. Harbour works, government buildings, and repairs of all kinds should be proceeded with when times are bad, and as good times return there could be a slackening off of such work. One of the most prolific causes of Unemployment is the practice followed by all contractors, public and private, of refraining from putting work in hand during the winter months. In every business, indoor or outdoor, there is a slackening off in winter. Bad light and weather both add largely to cost of production. But what can workmen do? They do not receive sufficient during summer to tide them over winter, and it would surely be cheaper and better for public authorities to spend money for extra labour cost in winter than spend large sums on extra poor law costs, or even on farm colony work.

Notwithstanding regulation, notwithstanding an intelligent anticipation of bad times and the pushing forward of public works, it is conceivable that still there would be those wanting work who could not obtain it. To supply this need the government bill might be useful, but without the better regulation of present employment, which would aim at making the hours of labour, and not the number employed, the elastic part of our productive system, the Government Unemployed Workmen Bill will be as disappointing in its results as its machinery is likely to prove dangerous in its operation.

WORK AFFIRMATIVE

Scientific American. 60: 24679-80. July 8, 1915

Sir Oliver Lodge on "The Cause and Remedy for Unemployment"

Readers will be interested in the address delivered before the Social and Political Education League at University College on some social reforms by Sir Oliver Lodge. The necessary precursor of wise and effectual reform, said Sir Oliver, was knowledge—knowledge both wide and accurate of the state of society and of the conditions of action. To this end a long-continued and devoted study of the human problem as a branch of science was as necessary as was the intuitive and energetic zeal of the reformer. The art of government would not continue to be the one department of activity for which no training was supposed to be necessary. It seemed to him that many eminent humanists at the present time discriminated too completely between the study of man and the study of nature. The essential truth that we had to learn and grow accustomed to was that man was a part of nature, and the study of man divorced from the study of nature was bound to be one-sided and partial and incomplete.

After referring to the potency of education in improving the conditions of life, he expressed the view that the laws of inheritance would have to be considered some day. The idea that people might live without working, and yet without disgrace was responsible for much incompetence and some misery. It was good neither for the youth brought up in the idea nor for those whose labor had to supply him with what he demanded. All should have leisure, but none should be completely idle on pain of starvation or the disciplinary drill of prison.

But was there any class on which the hand of reform could be at once laid? He answered that there were two such classes.

He contended that hitherto in these two directions society had by no means risen to a sense of its power and its responsibility. It was too imbued with the idea of punishment, too

faithless about efforts toward reformation and improvement. Paupers were the patients of society. In their present state they were useless, and they were very likely deserving of blame. Anyway, they had failed and they required help. They must be shown how to live, how to work, how to develop their faculties. To put them to a hopeless task, like oakum-picking or breaking stones, was to disgust them with labor. It was to give them things to do for which a machine was the proper agent. Why should society set upon them and try to crush them into hopelessness and rebellion? That was not the object for which we paid poor-rates. By placing the people on unreclaimed or unfertile land calling out for labor, under skilled supervision, they might, he believed, be made self-supporting before long. Whatever might be the case with paupers, concerning the criminal class he was perfectly certain we were doing wrong. We were seeking to punish, not to educate, stimulate, reform. Prisoners should be put under industrial conditions, and should be organized into useful members of society. Unless they were reformed they should not be set free. It was stupid to release them in order knowingly to reinforce the ranks of the criminal classes. Prisons should be reformatories, and sentences might be indefinite and contingent on reform.

But in order to be effective reformatories they must be humanely and wisely administered. If any trade union objected to the utilization of prison labor, and the production of useful commodities even for internal consumption, it should be made clear to them that the object of prison discipline was not, primarily, the manufacture of goods, but the reform and manufacture of human beings from the refuse of humanity—a kind of shoddy for the first time worthy of Divine manufacture. Nor did he believe that the trade union leaders would object to this if it were properly presented to them. To say that the army of workers was already overstocked was no answer. If it were, it was equivalent to throwing up the sponge and admitting that this planet could not support its present population. It was absurd to suppose that. It would be time enough to throw up the sponge in despair when a few centuries of really intelligent study and unselfish legislation had been tried.

A beginning of the new state of things was being made. Municipal and socialistic enterprises were in the air. They were running the gauntlet of criticism and suspicion, as all things had

to do before they were purged of their dross. He maintained that never before was the outlook so hopeful; never were all classes so permeated by the spirit—not the phrases, but the essential spirit—of brotherhood and cooperation; never was there such universal recognition of the beauty of the spirit of real and vital Christianity, far above the differences and dogmas of the sects. With the extension of local self-government legislative progress might be more rapid. The best men would throw themselves into public service with more heart and energy than now, when, in an overloaded and centralized assembly, progress was so low and the machinery so old and cumbersome that the output was quite incomparable with the time and labor involved in getting it through.

Arena. 27: 87-93. January, 1902

A Problem for True Statesmanship. B. O. Flower

History is usually helpful with its suggestions, even when we are in the presence of new problems and issues that demand more enlightened treatment than has been accorded in the past; and though few have been the intelligent and sympathetic attempts made by government officials and those in authority to transform the beggar and the tramp into self-respecting citizens, there are, happily, signal instances where the heart and brain have labored with most encouraging results to abate an evil that debases the individual and menaces the state. Two notable examples, one in ancient times and the other of comparatively recent date, will serve to illustrate the entire practicability of well-directed efforts aimed at overcoming uninvited poverty and exalting the state by rescuing and helping to independence those who have fallen under the wheel.

When the Grecian statesman, Pisistratus, came into authority, he found the streets of Athens thronged with beggars clamoring for bread. On being asked why they were not at work, they replied that they could find no employment. The statesman rightly concluded that one of the greatest dangers that could threaten a state lay in a large and growing class of wretched, degraded, and suffering poor, and he at once sought a remedy to meet the exigencies that confronted him.

Beyond the limits of Athens was ample land which only

awaited the hand of careful industry in order to yield bountiful harvests of real wealth for the toilers and sustenance for the community. This land Pisistratus had at once parceled into lots sufficiently large for one man, or a family, as the case might be, properly to cultivate. The beggars were then assigned portions of the land and were supplied with seeds to plant and tools and animals necessary for the cultivation of the soil. After this was done and every one had been given an opportunity to earn an honest livelihood, the ruler promulgated a decree prohibiting able-bodied persons from begging, and attaching a severe penalty for disregarding the mandate. The wholesome results of the measure were soon evident. The erstwhile beggars became thrifty, independent citizens, who greatly increased the national wealth. Indeed, so marked was the transformation that all members of society felt the benefits, and the rule of the statesman was long known as the golden age of Pisistratus.

In modern times a still more striking and suggestive experiment resulted in a splendid success, with material that was anything but promising. The philanthropist whose wise and eminently practical work entitles his memory to the lasting honor and love of all friends of humanity was an American by birth, Benjamin Thompson by name, though better known to history under the title of Count Rumford, later bestowed upon him by the King of England. At the breaking out of the revolutionary war Mr. Thompson sided with the loyalists and was proscribed. Later he went to England, where he was employed in an important position in the Colonial Office until the close of the war. For some time prior to leaving America he had devoted much time to studies in physical science, and in London he took a leading place among the savants of Great Britain, becoming a pioneer advocate of the vibratory theory of heat and contributing materially to the general interest in physical science, which at that time was girding itself for the greatest onward march in the history of civilization. In 1782 he was knighted by the King of England as Benjamin Thompson, Count of Rumford. He was also elected a fellow of the Royal Society of England. Later when in Munich the reigning Duke of Bavaria, attracted by his superior executive ability, employed him to direct some important military affairs and introduce a new system of order among the soldiers. These services were so successfully performed that the monarch appealed to him to aid in devising a

practical plan for ridding Munich of its great army of professional beggars, who at that time swarmed the streets and whose numbers reached up into the thousands, most of whom, it was said, "had been used to living in the most miserable hovels, in the midst of vermin and every kind of filthiness, or to sleep in the streets and under the hedges, half naked and exposed to all the inclemencies of the seasons. Not only were the greater number unacquainted with all kinds of work—having been bred up from infancy in the profession of begging—but they had the most insuperable aversion to honest labor, and had been so long familiarized with every crime that they had become perfectly callous to all sense of shame and remorse."

Count Rumford gave the subject his earnest consideration and accepted the serious trust. He immediately set about fitting up great industrial workshops and factories, where men, women, and children could be given immediate employment in simple and useful manufactures and where they could be taught weaving and other important crafts under skilful instructors. These industrial shops were provided with ample accommodations for lodging and feeding the poor, under conditions calculated to promote comfort and contentment.

When all preliminary work was finished, Count Rumford set January 1, 1790, as the day of the inauguration of his campaign against mendicancy in Munich. The civil and military bodies cooperated with him, and when all was ready the chief magistrate of the city and the count started down the street. Almost immediately they were importuned for alms. Gently laying his hand on the shoulder of the beggar Count Rumford arrested the man, informing him that henceforth no begging would be permitted in Munich, but that if he needed assistance his wants should be provided for. This was the signal for inaugurating the movement, and in a few hours not a beggar could be found in the streets of the city. Those apprehended were taken to the town hall and after having their names and addresses registered they were instructed to apply at the industrial shops on the following day, where they would find warm, comfortable rooms, plenty of food, and work for all in a condition to labor.

In the city of Munich, with a population at that time not exceeding 60,000, more than 2,500 sought and found an asylum in these great industrial shops within a week. At first there was necessarily some confusion, and we may readily imagine that

discontented ones were not wanting; but the management united firmness with great kindness and patience, ever keeping in view the double purpose of the Count—the reclamation of the individual and the best interests of the state.

Of the result Count Rumford in his autobiography, written years after the experiment had become a splendid success, observes:

> The awkwardness of these poor creatures when first taken from the streets as beggars and put to work may easily be conceived; but the facility with which they acquired address in the various manufactures in which they were employed was very remarkable and much exceeded all expectation.
>
> But what was quite surprising and at the same time interesting in the highest degree was the apparent and rapid change produced in their manners, in their general behavior, and even in the very air of their countenances upon being a little accustomed to their new situation.
>
> The kind usage they met with and the comforts they enjoyed seemed to have softened their hearts and awakened in them sentiments as new and surprising to themselves as they were interesting to those about them.
>
> The melancholy gloom of misery and the air of uneasiness and embarrassment disappeared by degrees from their countenances, and were succeeded by a timid dawn of cheerfulness rendered most exquisitely interesting by a certain mixture of silent gratitude which no language can describe.
>
> The spinning halls by degrees were filled with the most interesting little groups of industrious families, who vied with each other in diligence and address, and who displayed a scene at once the most busy and the most cheerful that can be imagined.
>
> Whether it was that those who saw them compared their present situation with the state of misery and wretchedness from which they had been taken, or whether it was the joy and exultation which were expressed in the countenances of the poor parents in contemplating their children all busily employed about them, I know not, but certain it is that few strangers who visited the establishment came out of these halls without being affected.

Those in whom the finer sentiments of life have given place to heartless cynicism, and whose moral natures seem to be atrophied, are wont to sneer at any attempt to reform the morals of persons who have long dwelt in the social cellar. Yet Count Rumford's experience flatly contradicts their pessimistic assertions and assumptions. On this point, and with the positive success of his experiment in the full view of the world, he thus wrote concerning the moral uplift experienced by the beneficiaries of his work:

> In this I succeeded. For the proof of this fact I appeal to the flourishing state of the different manufactories in which these poor people

are now employed; to their orderly and peacable demeanor; to their cheerfulness; to their industry; to their desire to excel, which manifests itself among them on all occasions; and to the very air of their countenances.

Strangers who go to this institution (and there are very few who pass through Munich who do not take that trouble) cannot sufficiently express their surprise at the air of happiness and contentment which reigns throughout every part of this extensive establishment; and can hardly be persuaded that, among those they see so cheerily engaged in that interesting scene of industry, by far the greater part were, five years ago, the most miserable and most worthless of beings—common beggars on the street.

Under the Count's experiment each person was remunerated for his labor, while all who excelled were praised and encouraged in various ways for the proficiency shown in their work. They were treated as self-respecting men and women, and the divine in their souls rose to meet the expectations of their new-found benefactor. The love and gratitude which these poor people felt for the Count were touchingly expressed on many occasions. Once, when it was reported that he was dying, hundreds of these people filed forth *en masse* and journeyed to the cathedral church to offer prayers for this Protestant, of a different nationality and tongue, who had proved their savior. The moral victory won, which was of inestimable value to society, was supplemented by a large monetary return which the municipality enjoyed from the experiment, as we are informed that "notwithstanding all the disadvantages under which it labored in its infant state, the net profit arising from it during the first six years of its existence amounted to above 100,000 florins, after the expenses of every kind, salaries, wages, repairs, etc., had been deducted; and, in consequence of the augmentation of the demand for clothing for the troops, business increased so much that the amount of the orders received and executed in one year did not fall much short of half a million florins."

These examples afford helpful hints from well-authenticated history, which clearly prove what may be done. With us there are boundless resources, and with firm, wise, and above all loving guidance a well-conducted program of progress might easily be inaugurated that would obliterate uninvited poverty and reduce all want to a minimum; while the state and civilization would gain immensely through ennobled manhood and the enormous increase of wealth products that would flow from giving direction to the now nerveless hand of poverty.

Survey. 33:439-40. January 23, 1915

A National Employment Reserve for Lean Years and Seasons.

N. I. Stone

No measure can be regarded as an adequate solution of the difficulty which fails to provide productive work for men and women thrown into involuntary idleness and thus help all able-bodied members of society to maintain their accustomed standard of life without their becoming at the same time a charge upon the public treasury or upon the charitably inclined.

Such a desideratum can be provided solely by a well maintained system of public works so organized as to have the elasticity of our newly devised federal banking reserve, by being capable of quickly absorbing the surplus labor of the country released by the seasonal or sporadic contractions of industry and of contracting when the needs of expanding business call for the reserve army of labor.

The suggestion as to the use of public works as a means of relieving acute Unemployment is not new. But so far as the writer is aware, no scheme has ever been submitted aiming at a comprehensive, nation-wide, permanent, regularly operating, elastic system for absorbing and releasing the labor supply of the country in the same manner as the federal reserve system has been devised to absorb superfluous idle funds when not required by the industries and commerce of the country and for supplying adequate funds when so required. The parallel is complete, except that in the former case we deal with forms of wealth which can be conveniently stored in vaults when not needed, while in the latter we must deal with human labor which can only be stored in the bodies of human beings when maintained in health and which is irretrievably lost to society when these bodies are allowed to deteriorate or perish through privation and want.

It is thus apparent that, apart from any considerations of humanity and fair play, the present system or rather lack of system in allowing the individual worker to shoulder the full weight of the hardships resulting from Unemployment is tantamount to destroying a large part of the productive equipment of the nation which can only be restored in some fifteen or twenty years, which is the period necessary to raise a new

working member of society. This is apart from the enormous money loss to the community which cannot be measured accurately, but which is so huge as to stagger imagination.

According to the figures of the federal census for 1900 there were nearly 6,500,000 people unemployed during the year 1899 for periods varying from one to twelve months each, representing a loss of wages, figured by the American Association for Labor Legislation at an average of $10 per week, at a total of about one billion dollars for that year. This billion dollars had to be covered by the nation in the form of charitable and public relief as well as out of the savings of the unemployed and, in so far as not so covered, the deficit resulted in the deterioration or total destruction of the physique of the working people, which was thus entirely lost to the nation. A part of the wage deficit was covered by crime with the additional loss to society represented by otherwise unnecessary expenditures on prisons, police, jailers, prosecuting attorneys, judges, etc.

Finally, there was the loss of wealth which the idle workers would have produced in return for the billion dollars of wages they failed to earn and which may be estimated at not less than two and a half billion dollars (on the basis of the census figures which show an output of $2.50 worth of new products for every dollar paid in wages).

It is difficult to say what the workers spend on themselves and their families when they are idle. Certain it is that they must spend some money to live. Whether they draw upon their own savings or upon those of society, in the form of charity or loans, the accumulated wealth of society is diminished to that extent. Assuming that the idle workers spend one-half their normal expenditure, we get an amount equal to about half a billion dollars as measuring the store of accumulated wealth which is consumed annually by the unemployed.

Adding to this the two and a half billion dollars worth of wealth which they failed to produce through the same cause, we get a total of about three billion dollars per annum, not counting the indirect losses caused by impairment of efficiency and vitality and other conditions referred to above. If all this could be estimated, the loss would be greatly increased. Thus, the havoc wrought by Unemployment rivals in magnitude that caused by some of the greatest wars. But there is this difference: wars are necessarily of brief duration and followed by long periods

of peace and recuperation, while Unemployment adds its cumulative destructive effect year by year.

Once this condition is realized, no effort will be thought too great, no measure too ambitious which will hold out the promise of an effective cure of this greatest of our economic ills which carries in its train grave social and political evils.

With this in mind, we should be better prepared to consider a comprehensive scheme for a national employment reserve. For years the construction of a national highway system has been agitated without appreciable progress being made in this direction. As compared with countries like Germany and France, we have most backward and inadequate highways, comparable in a large part with the miserable rural roads of Russia. The absence of good roads is responsible for the fact that millions of dollars' worth of agricultural produce are left to rot in the field.

Our present system of road-building by the states and counties done mostly on contract results not only in poor construction at a high cost in a great many instances, but also in a lack of a comprehensive system of highways which are built to meet local needs only, and therefore frequently end "ten miles from nowhere."

With the equal interest in a comprehensive system of uniformly good roads on the part of the nation, state, and local community, it seems but fair that each be made to bear an equal or whatever may be found to be a justly proportional share of the cost of construction. If the federal government were to adopt a policy of contributing, say, one-third of the cost of highway building on the condition that the state and county concerned contribute their respective thirds and build the highways according to a previously worked out plan, so as to make them fit into a great scheme of national highways, most, if not all, local governments would be sure to avail themselves of the opportunity.

The success which marked the digging of the Panama Canal by the national government warrants the belief that if national road-making were placed in charge of our army engineers, to be done directly by labor hired by the national or state government without the corrupting influence or, at best, the legitimate, but wholly unnecessary profits of intermediary contractors, we would get superior roads at a saving in cost as compared with the present system of helter-skelter road-building.

The magnitude of this task, the vast area of swamp lands which await drainage to be turned into fertile fields and gardens, the building of works to stop inundations, with their consequent destruction of life and property, by the Mississippi and its tributaries, the harnessing of our water-powers, and similar enterprises, is a guarantee that the system once adopted would have ample work before it to keep it going for generations to come.

In turn, good roads and drainage would open up millions of acres of land for the permanent employment of a large agricultural population and cause a demand for the products of industry and commerce, giving employment to a multitude of other workers, women as well as men.

The adoption of the scheme would involve the constant maintenance of a small nucleus force of engineers and skilled and unskilled workers so as to maintain the organization intact and capable of expansion on short notice. Congress would be asked to appropriate annually a minimum amount necessary to maintain the force, and to authorize the President to expend an amount equal to one-third of the total cost of any road in the United States for which any state (alone or together with its constituent counties) was willing to appropriate the remaining two-thirds.

The subvention to states would be made subject to certain conditions which would insure the construction of the roads under federal supervision and according to federal standards of workmanship and terms of employment, and as a part of a federal highway system. In this manner the presence of considerable Unemployment in any part of the country would stimulate increased appropriation for public works from the local public treasuries, preference in employment being given to local residents.

Provision would have to be made for the reduction of the force of workers on the highways as the demand for labor in industries increased. The details of organization, of federal and state financing, of the adjustment of wages and hours, and other features of a scheme of this magnitude will require much thought and study. So did the details of the federal reserve system which seemed to present insuperable technical difficulties, an irreconcilable conflict of economic interests and a Gordian knot of political tangles which only the keen sword of bold statesmanship of President Wilson was able to cut through.

Great as the obstacles which will undoubtedly beset the working out of such a scheme may be, they offer none of the technical difficulties, nor the political and economic barriers which beset the adoption and inauguration of the federal reserve system.

The necessity of contributing $2 for every dollar to be secured from the federal government would act as an effective safeguard against the pork barrel evil, for no congressman would try to secure appropriations for his district unless his constituency was willing to tax itself to twice the extent of such an appropriation. The principle, if applied to our policy of river and harbor improvements might easily cure the latter of the pork barrel evil and bring about the long cherished inauguration of a really comprehensive and effective system of internal waterways. These would admirably supplement the proposed highway system and could be incorporated in the scheme of a national employment reserve.

While road-making, swamp draining, and similar work is thought to furnish a most promising source of employment in a scheme such as is here described, it is not meant to confine public enterprise necessarily to these only. Any other form of public works which combines the advantages of offering remunerative employment at socially useful labor, which is of sufficient magnitude to require years for completion and yet is not so urgently required as not to permit of slackening the pace when workers are needed elsewhere, is available for the purpose of regulating employment on a national scale.

In this respect the municipalities would be in a position to supplement the system by a thoughtfully planned scheme of municipal undertakings, such as model house building and similar works of an extraordinary nature, of a productive character for which funds could be raised by the issue of bonds secured by the value of the buildings and plants created.

WORK NEGATIVE

Living Age. 256: 611-25. March 7, 1908

The Right to Work

Of all the proposals put forward by the Socialist party none is more superficially attractive than the demand that the state should make provision for the unemployed. The tragedy of Unemployment appeals to all of us. Even those who have been relieved by the generosity of their parents, or by the favor of fortune, from the necessity of working for their living must feel sympathy with the man who is willing to work but can find no one to provide him with employment. That there are many such men in this country and in every country at this moment and at every moment is indisputable, and no one who has the least spark of human feeling can fail to be eager to find some sure means of diminishing their number or of abbreviating their period of Unemployment. All this is common ground; it is only when we pass to the question of how to do what we all want done that divergence of opinion arises. There are some people who appear to imagine that every ill that human flesh is heir to can be swept away in the twinkling of an eye by passing an act of Parliament. Even if they are not prepared to draft this wonderful measure themselves they have not the slightest doubt that it can be drafted, and they are willing to pin their faith to any scheme that is preached with sufficient emphasis or advertised with sufficient skill. When any one ventures to point out that the particular scheme which has momentarily secured their support is no remedy at all, they close the discussion by asking with impatient contempt, "What then is your remedy?" They never pause to reflect that progress cannot be secured by blindly following the leadership of the blind, and that it is easier to advertise a quack medicine than to find a real remedy for a long standing disease.

Nor can it be admitted that those who point out the failure of popular panaceas are always under an obligation themselves to propose some positive scheme of reform. Often the only

remedy required is a negative one. Part of the trouble from which the world suffers is due to positive wrong-doing, and that cannot be prevented until men are willing to adopt the negative remedy of abstaining from wrong action. What proportion of our present day troubles may require this negative treatment we need not attempt to consider. It is however worth while to remember that in a certain code of conduct accepted as sacred, now and in past ages, by many millions of men, 70 per cent of the rules laid down begin with the words "Thou shalt not." The importance of thus saying "No" is not limited to individual conduct. It applies equally to measures proposed by the state. When the community is threatened with acts of Parliament which would only aggravate the disease they are intended to cure, it becomes the urgent duty of men who love their country to oppose such false remedies to the utmost of their ability, and frankly to say, "We are not prepared to cure in a moment diseases that have endured for centuries, but we are resolved, so far as our strength permits, to prevent you from making the disease worse."

There is no pleasure in coming to such a negative conclusion. It is far more agreeable to delude oneself with the belief that all the poverty and suffering and sorrow in the world can be promptly cured by administering to the body politic a few well advertised social pills. Those who fail to succumb to such delusions have to bear the brunt of being called cold-hearted and hard-mouthed, indifferent to the welfare of the poor, and defenders of the wealth of the rich. These accusations are not pleasant, but they must be accepted as part of the day's work by all who venture to point out that some momentarily fashionable remedy is either useless or actively harmful. The best consolation lies in remembering that it is not the business of thoughtful men to shout with the crowd, but to try and find out the truth.

For these reasons it is of the utmost importance that the country should examine, carefully and critically, the proposal put forward by the Labor party for the creation of a statutory "right to work." This proposal is embodied in a bill introduced into the House of Commons in July last and formally read a first time. The same bill, if opportunity serves, is to be introduced next session. The essential clause of this bill declares that:

Where a workman has registered himself as unemployed, it shall be the duty of the local Unemployment authority to provide work for him in connection with one or other of the schemes hereinafter provided, or otherwise, or failing the provision of work, to provide maintenance, should necessity exist, for that person and for those depending on that person for the necessaries of life: provided that a refusal on the part of the unemployed workman to accept reasonable work upon one of these schemes, or employment upon conditions not lower than those that are standard to the work in the locality, shall release the local Unemployment authority of its duties under this section.

A subsequent clause provides that where Unemployment is due "to deliberate and habitual disinclination to work," the individual concerned may be subjected to control for a period not exceeding six months, "which period must be passed in the performance of reasonable work under the supervision or control of the local Unemployment authority." The rest of the bill deals with the machinery for carrying out the principle above quoted. In addition to the "local Unemployment authorities," there is to be a "central Unemployment committee," composed of representatives of trade unions and of the principal government offices. These bodies between them are to frame schemes for setting the unemployed to work. The money is to be found partly by the local authorities and partly by the imperial exchequer.

To most people these proposals will seem somewhat startling. That, however, is only because we have forgotten the follies as well as the wisdom of our ancestors. Similar proposals were actually embodied in the statute law of England more than three hundred years ago, while even before that date voluntary attempts were made by the municipalities to organize work for the unemployed. As early as 1557 the old palace of Bridewell was converted into an institution in which various industries were carried on by men who could not obtain employment elsewhere. This London example was followed by a good many other municipalities in the full spirit of modern municipal socialism. Moreover, just as the Labor Party today provides for the case of persons afflicted with "a deliberate and habitual disinclination to work," so did our ancestors provide for the incorrigible idler. Under various statutes vagrants and idlers of either sex were liable to be whipped "till their bodies be bloody," with the additional refinement in some cases of being bored through the ear. They might also be committed into

slavery for a period of years, and if they ran away they might be enslaved for life. When these gentle methods of persuasion failed the incorrigible idler was finally disposed of by hanging.

Some modern socialists are fond of appealing to the socialistic legislation of Queen Elizabeth as a glorious example for the statesmanship of today. They forget to say whether they are also in favor of reviving the whippings and the slavery and the hangings that were part of the Elizabethan régime. Nor do they attempt to explain how it happened that legislation which they regard as so supremely excellent should have proved so complete a failure. The powers conferred upon the guardians of the poor by the act of 1601 have never been specifically repealed. They were even extended so late as the year 1819. Even now it is doubtful whether a socialistic board of guardians would not be legally entitled, under the act of Elizabeth, to raise money from the parish in order to provide a "convenient stock of flax, hemp, wool, thread, iron, and other necessary ware and stuff to set the poor on work." At any rate down to 1834 the socialists had their chance. For more than two centuries the system which they wish to revive could legally be put into operation in any parish, and was put into operation in many parishes. Yet everybody knows that the system was an absolute failure. Instead of diminishing poverty it added to the numbers and to the degradation of the poor. On this point the evidence collected by the poor law commissioners of 1834 is conclusive. It shows that where the poor law was administered on the principles which it is now proposed to reestablish, idlers were multiplied and poverty was increased.

As even this long experience does not suffice to convince some minds, it is worth while briefly to describe the main features of a more modern experiment. Early in the year 1848 a revolution took place in France. The king was expelled and a republican government was established. The new government was inspired by socialistic theories and was completely dominated by the working classes of Paris. One of the first acts of the new government was to decree the right to work which our English socialists sixty years later are now shouting for as a new thing. The text of the decree is as follows:

Le Gouvernement provisoire de la République française s'engage à garantir l'existence de l'ouvrier par le travail. Il s'engage à garantir du travail à tous les citoyens. (Decree of February 25, 1848.)

On the next day, February 26, the government proceeded to decree the "immediate establishment of national workshops (*ateliers nationaux*)." It was easier to make this decree than to carry it out. But a happy accident occurred. A young man named Emile Thomas, armed with a letter of introduction, called on March 3 on the Minister of Public Works and offered to organize the unemployed in accordance with the ideas of Saint Simon. He hoped, with the aid of the pupils of the Central School of Engineering, to maintain order among the men, especially by employing moral influence. His offer was accepted by the ministry with effusive gratitude. A disused building in the Parc Monçeaux, which had been part of a royal villa, was assigned to him for his headquarters. Here M. Thomas and his mother established their private *ménage* in some upper rooms; accommodation being also provided for the principal officials. The rest of the building was left free for the work of brigading the unemployed. No time was wasted. On March 5, two days after his first interview with the ministry, M. Thomas summoned a conference of the mayors of the different districts of Paris and expounded his scheme. He promised to be ready on March 9 to enrol a first batch of 3,000 men from one of the most distressed districts, the other districts to follow in daily sequence. On March 8 he gathered together the pupils of the Central School of Engineering at the Parc Monçeaux and explained their duties to them. "I found them," he says, "filled with zeal and animated with the best intentions." The next morning the enrolment of the first 3,000 men began. The unit of organization was the squad of eleven men under a "chief"; next came the brigade of five squads under a "brigadier," and so on. The rates of pay were not high. The workers received 2 francs on days of activity and 1½ francs on days of inactivity; the squad chiefs received slightly more, and the brigadiers received 3 francs a day whether work was going on or not. The first job was to root up the trunks of the trees that had been destroyed during the revolutionary fighting on the boulevards, and to plant new ones. This only required the labor of a few hundred men; and it was decided to send the others on foot to fetch tools from the forts round Paris, and to fetch young trees from distant nurseries. "This method of transport," remarks M. Thomas, "was at once absurd and ruinous; but what did the loss of a few hundred francs matter in comparison with the

terrible example of giving a subsidy to idle men?" The next day an additional 1,200 men arrived, many of them bringing personal recommendations from prominent politicians asking that they should be given posts as superintendents. The difficulty of finding work for all these men grew every day more serious. "Each day I went to the Minister of Public Works; each day I returned with the reply, 'the engineers have found no jobs yet.'"

On March 15 M. Thomas had 14,000 men unoccupied. To meet this serious situation the government engineers were instructed by the ministry to specify works that were possible, rather than works that were really useful, and a number of schemes of road-making and levelling were adopted, and gave work to most of the men already enrolled. But fresh supplies of unemployed continued to arrive, and even at this early stage it was discovered that many of the men were not passionately eager for work. They preferred to draw 1½ francs a day for inactivity, rather than 2 francs for doing more or less hard work. To meet this difficulty the inactivity pay was reduced to 1 franc, but still the numbers continued to grow. Indeed so lax was the administration that many men came to draw their 1 franc as unemployed, and then quietly went off to earn their living in their ordinary employment. Other men inscribed themselves in several different brigades and drew pay from each. All this irregularity went on in spite of a host of clerks and supervisors, who had been provided with posts at headquarters on political recommendation. Emile Thomas writes that he received recommendations from all the members of the provisional government—from one member no less than 700—and also from their wives, their children, and the doorkeepers. He adds that the *ateliers nationaux* were looked upon by the ministry as a drain for drawing off the suppurating horde of place-hunters and parasites. Less bitter but more tragic is the account he gives of the receipt of an order from the Ministry of Public Works to deal all at once with the claims of 600 persons, "dramatic artists, painters, sculptors, designers, bank clerks, and shop assistants." These men had addressed to the ministry the following pitiful plea:

> The republic has guaranteed work to every citizen. We have none. We do not ask that work should be given to us, as was promised, each in our own occupation. We know that this would be impossible. But at least give us the opportunity of honorably earning the bread we need. We are at the end of our resources, and the municipal authorities refuse to give

us tickets of admission to the *ateliers nationaux* because we wear the clothes to which we have been accustomed and not the dress of workmen. Yet we are worthy of pity as well as they.

M. Thomas promptly took on the whole of the 600 and employed them to act as inspectors of pay-sheets, and to visit the ordinary workmen in their homes and report on their "physical and moral condition."

It is important to note that only a few attempts, and those only affecting a very small number of men, were made by M. Thomas to organize any industry other than road-making, leveling, and unskilled work of that character. On the other hand, M. Louis Blanc obtained the permission of the government, to organize, partly on cooperative, partly on socialist principles, a workshop for the supply of clothes and saddlery to the army. Some workshops for women were also started, and one or two other stray experiments were made. The taxpayer bore the cost of all these enterprises, and most of them disappeared in the general crash that brought the *ateliers nationaux* to an end.

As above stated, it was on March 9 that the enrolment at the *ateliers nationaux* began with 3,000 men. By the end of April this number had risen to over 100,000, and most of the men had ceased to make even a pretence of working. Early in May one of the ministers delivered an oration to these "national workmen," and ventured to refer to the duty of working. The remark was received with murmurs of disapproval. Meanwhile the financial situation was growing every day more serious. The provisional government had been replaced by a National Assembly regularly elected by the whole of France. The necessity of finding the money for the *ateliers nationaux* fell upon the Assembly, and every additional million francs demanded met with increased protests from the deputies. These national workshops, or gangs of national workmen, had been in existence barely two months, and already they were recognized as a dangerous drain upon the strength of the nation. M. Emile Thomas, the enthusiastic organizer of the scheme, did his best; he seems to have acted honestly, and he certainly preached honesty to others. At the same time he could not resist the temptation of utilizing the great army of men whom he controlled as an instrument with which to threaten the government. At last the situation became intolerable, and on May 26 he was

craftily kidnapped, by order of the government, and sent under police escort to Bordeaux. An attempt was then made by the government to substitute piece work for day work, and also to send back to the provinces the men who had poured into Paris to enjoy the subsidized idleness provided in the *ateliers nationaux*. On June 22 an order was issued that all the national workmen between seventeen and twenty-five were to enlist in the army, and that if they failed to do so they would cease to be entitled to maintenance. A large number of the rest of the men were ordered to enrol themselves for work in the country. An insurrection instantly broke out, barricades were erected, and for three days it was uncertain whether the government or the unemployed would win. It was only on the fourth day that General Cavaignac was able to report that "order had triumphed over anarchy." Some 3,000 persons were killed in the fighting, on one side or the other, and 3,376 insurgents were arrested and transported to Algeria. That was the end of the "right to work" under the French Republic of 1848. In the words of Levasseur, "Jamais insurrection parisienne n'avait jusque-là fait verser tant de sang et causé tant de deuils."

It is important to note that the government responsible for the famous decree of February 25 establishing the "right to work" was not a government chosen by the people. It consisted of a little group of socialists who, by virtue of an unexpectedly successful street riot, had been able to seize supreme power. They had for at least two months the whole machinery of the government of France at their command, and they failed miserably.

It is clear that when the Socialists demand the right to work the thing they ask for is not the thing they want. They ask for work; they want wages. Most of us can sympathize with the demand for wages. Most of us are wage earners dependent for our living upon the wages we earn. But most of us have long ago learnt that in order to get wages a man must offer work which somebody wants, and must take the trouble to discover that somebody. If he fails to do this he is not justified in asking Parliament to force other people to pay him a wage for doing something which they do not want done. Possibly many people might be willing, as they certainly ought to be willing, to give him a helping hand. The duty of the strong to help the weak, of the fortunate to help the unfor-

tunate, is instinctive in us because we are human beings. The beasts of the forest have no such instinct; they are pitiless to one another. But this duty that men feel because they are men, is not discharged, it is not even recognized, when the state compulsorily takes from Tom, Dick, and Harry, part of the wages which they earn, or part of the property which they possess, and hands the money over to some individual whom they perhaps have never seen. There is no trace of human kindliness in such a transaction as this. The whole proceeding is impersonal and mechanical. It cannot possibly create any feeling of comradeship, or of sympathy with suffering. On the contrary, it may easily create a bitter sense of injustice and wrong. Therefore, on moral grounds, there is nothing whatever to be said in defence of the Socialist proposal that people who have failed to find work—including those who have not looked for it—should be provided with wages by the state at the expense of men who have been more persistent or more fortunate. Such a policy, if carried into execution on any considerable scale, would certainly arouse an angry feeling of resentment, and thus tend to destroy that very sense of human comradeship which is so important an element of social progress.

This moral mischief would be so serious that we should hardly be justified in risking it for any economic advantage however great. When, however, we examine the economic aspects of the proposed right to work, we find that this Socialist proposal is as unsound economically as it is dangerous morally. If every man knew that when he was out of work he had only to present himself at some government depot, and that he would there obtain a definite wage in return for some undefined work, a large number of men would abandon their present occupations for the sake of a softer job.

That, indeed, is part of the programme of the Socialist party. They have a belief that by making soft jobs at the taxpayer's expense they can improve the general condition of the wage-earning classes. The fallacy arises from neglecting to ask what the taxpayer would have done with his money if he had not been compelled to give it up to the government to pay for these soft jobs. Of necessity he would have spent it, directly or indirectly, in paying wages. When a lady buys a hat she is, in effect, paying the wages, not only of the workgirl who made the hat, but also of the operative who wove the ribbons or plaited

the straw, and of the sailors, railway-men, carters, clerks, shop-assistants and others who by their labor, all contributed to the bringing together of the materials of which the hat is composed, and to its conveyance to the final purchaser. All these persons are ultimately dependent for their wages—or to be strictly accurate, for a proportional part of their wages—upon the lady who buys the hat. It may be that some ladies buy too many hats. That is a moral question upon which a few words may presently be said. For the moment we are only concerned with the economic fact that a lady, by buying a hat, provides payment for the persons employed in making the hat and conveying it to her head. The same economic sequence of events applies to any money that is saved. By saving money a man transfers his power of spending it to the company or firm or corporation or government with whom he invests the money. In every case the money is spent, and, in being spent, provides for the payment of wages. When, then, money is taken from the taxpayer by the government in order to provide wages for the unemployed, the people whose wages it now provides must suffer.

The position will be made clearer by taking a simple illustration. Suppose that an extra tax of 50*l.* a year is imposed upon a well-to-do citizen in order to obtain money for paying wages to the unemployed, and suppose that the well-to-do citizen finds that the most convenient way of meeting this extra burden is to get rid of one of his gardeners. It then becomes obvious that the supposed remedy has done nothing to remove the evil of Unemployment. One unemployed man has been brought into employment, one gardener has been thrown out of employment.

That is what always happens, and always must happen. Every penny of public money raised by taxation comes out of private pockets, and therefore every class of public expenditure is accompanied by a minus of private expenditure. At the very best, government expenditure, whether for the benefit of the unemployed or for any other purpose, only shifts employment. It takes away work from the persons who would have been employed by private individuals and gives work to the persons selected for state employment.

Up to a certain point this transference of employment is necessary. It is necessary that some men should be deprived of work as laborers or gardeners or grooms in order that they or other men may be employed as soldiers or sailors or policemen.

It is necessary that cotton-spinners and iron-smelters, boot-makers and barbers, should often be short of work in order that money may be found to pay the salaries of his Majesty's judges and of a limited number of cabinet ministers and government clerks. Until the Anarchist millennium arrives these government employees are necessary to keep the social machine in working order. Without them the economic structure of society—bad though it may be—would be dissolved into a worse chaos. But government employees, whatever their rank, and whatever the excuse for employing them, must justify their expenditure by the work they do. Unless this government work is more valuable to the nation than the work done by the persons thrown out of private employment there is no net gain. An unemployed man who is set to do useless work as an excuse for paying him wages is a mere drag upon the wealth of the nation. Economically it is far better that the money required for his wage should remain with the taxpayers to be spent by them, let us assume, in paying for the work of an additional bootblack. In each case the nation has to keep a man and to provide him with food and clothing and house-room, but in the case of an unemployed man who is only playing at work the nation gets back nothing; in the case of the bootblack it gets back cleaned and polished boots.

The sole test then is the test of utility. Does the nation want the new work, on which it is proposed to employ the unemployed, as much as it wants the old work now being done by persons who will be thrown out of employment when the taxpayer is called upon to pay for the new work? Only one answer is possible to that question. If the nation really wanted this new work done, we should set about doing it without regard to the problem of employment. We do not engage postmen in order to provide wages for the unemployed. We engage them because we want our letters carried. In the same way if we came to the conclusion that it was desirable to plant forests on the moors of Scotland or Yorkshire we should set about that business with the sole idea of doing the work as efficiently and as economically as possible. We should get together the workmen best suited to the job, and give them, as far as possible, permanent billets. Their employment on this work would make no difference to the present unemployed problem. The trees that it is proposed to plant upon Scotch moors

will give back no return for many years to come. In the meantime the men employed in planting and tending them can only be paid with money which otherwise would have been used to pay the wages of other persons. Consequently, there is no addition to the sum total of present employment. One man has been thrown out of work and another man brought into work. In a word, we cannot create additional employment unless simultaneously we create additional wealth with which to pay for it.

This proposition is so important that it is well to enlarge upon it. By employment is clearly meant paid employment. Nobody would stir up a political agitation to secure the privilege of working without pay. What then is pay? In the first instance pay is made in money, but the money is promptly converted into the things and services the workman wants for his own life and the life of his family—bread and butter and cheese, coats and shirts and stockings, chairs and tables, saucepans and fire-grates, timber for flooring, and tiles for a roof. Without these things he cannot live; these and similar commodities and conveniences are the things he works for. They are his pay. At once, then, it becomes clear that we cannot increase the sum total of paid employment, unless we also increase the volume of commodities and conveniences which all men want. None of the proposed schemes for state employment for the unemployed do this. They are all designed, not to produce things that somebody wants, but to provide an excuse for paying wages to people who cannot find work. In every case the work is made for the sake of the workman, and that very fact implies that the work is not wanted for its own sake. It is therefore less valuable to the nation than work undertaken for ordinary commercial or national motives. Yet, in order that this work may be paid for, the taxpayer is deprived of the power to pay for work that he wanted done. His employees will lose their employment. Men who were doing something that was wanted will cease to work, in order that others may be employed upon something that is not wanted. Under such conditions the production of desirable things, or wealth, will be diminished; there will be less wealth available for the payment of labor, and therefore less employment. This is why schemes of state employment for the unemployed of necessity intensify the very evil they are intended to remedy, and ought, therefore,

to be resolutely and relentlessly opposed by all who wish to diminish the hideous evil of Unemployment.

We can only diminish that evil by improving the organization of industry so that work is made less irregular, and by increasing the efficiency of labor so that more wealth is produced. In the case of seasonal trades, men should be encouraged to learn a second trade so that they may be able to work all the year round. In the case of intermittent work such as dock labor, it ought to be possible to organize unskilled labor on a semi-military system through the agency of some labor company or labor trust. In such an organization the men would receive a retaining wage as servants of the labor company, and an additional payment when sent out to work. There seems no reason why a company for the supply of manual labor should not be as commercially successful, and as nationally beneficial, as a railway company that supplies transport or a gas company that supplies light. More generally, we want to encourage permanence in the contracts between workmen and employers. The period of engagement ought in most industries to be lengthened, and the contract of employment ought always to provide for reasonable notice on either side before the engagement is terminated. In these and in other directions there is enormous scope for the improvement of our industrial organization both in outline and in detail; but this valuable work has been largely neglected, while money and time have been lavished upon charitable and semi-socialistic schemes which only deal with external symptoms and leave the inward disease as bad or worse than before.

In addition to improving the organization of industry we must, if we wish to make any serious progress, increase the efficiency of labor. The most potent instrument for this purpose is the extended use of machinery. There was a time when the working classes of this country were bitterly opposed to the extension of machinery, and even now traces of the old spirit are still to be found; but on the whole the value of machinery to the wage earner is now so fully recognized that it is hardly worth while to say a word in explanation of its economic effect. Not only does the machine increase the earning power of each individual workman, but by multiplying commodities it lowers their price and benefits the workman in his capacity as a consumer as well as in his capacity as a producer.

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Real Problem of the Unemployed

It is pleasant to note that the general nervousness and vague fear of last winter in reference to the unemployed have now so largely given way to a season of reflection and analysis. It is no longer enough for a set of men to exhibit themselves as an army of the unemployed to inspire sympathy or terror in the staid citizen and to make him feel that Congress or the state or city government should "do something." The time has come to cross-examine the unemployed, to ask them how they came into their present evil estate, what work they ever did, and how they came to lose their jobs, and what work they could or would do now if it were offered them. Such questioning is the surest way to rid ourselves of the notion that there is anything new or particularly threatening about the matter as it presents itself today, but that it is simply the old question over again of what society is to do with the incapable and unwilling who cannot, or will not, earn an honest living.

We recently had occasion to refer to several interesting reports from American municipalities and charity organizations, which help to a cool understanding of who the chronic unemployed are and how they came to be so, and now we find strong corroboration of American experience in an article published in the June Charities Review on "The English Municipalities and the Unemployed." The writer, Mr. Edward Porritt, gives a running account of the reports which seventy-three municipalities made to the Local Government Board in regard to providing work for the unemployed within their bounds. The experiment is no novelty in England. Ever since the labor agitators "threw a scare" into the politicians of both parties in 1885, the demands and threats of the unemployed have been steadily intensifying, and the Local Government Board has issued a circular ever since 1886, urging vestries to give work to idle men. This work was to be of a kind which would not "involve the stigma of pauperism," which "all can perform," which "does not compete with that of other laborers," and "which is not likely to interfere with the resumption of regular employment in their own trades by those who seek it."

The results reported by the seventy-three municipal authori-

ties cannot be claimed by the most enthusiastic advocate of state labor as furnishing any water for his mill. In a great majority of cases the work was unsatisfactorily done and at an increased cost. The Hanover Square vestry for some weeks kept forty men at work repairing roads. The surveyor in charge reports that "the result has been simply to benefit the men employed at an increased expenditure of £2,000 over the annual estimates for labor and material." The Hempstead vestry hired snow-sweepers, and they were reported to be "idle, incapable of hard work, and not amenable to discipline." Carpentering work was offered by the Hackney Board of Works, but the "carpenters struck the first day for trades union rate of wages." Some of the suffering unemployed were offered work at Finchley at five pence an hour, but declined it on the ground that "their ordinary wage was six pence." Mr. Porritt sums up by showing how the class of men described in the Government Board circular, who "honestly dread the pauper stigma," do not come within the scope of any of these schemes to provide work by municipalities. One report states that the men belonged to "the class of permanently unemployed"; which, says Mr. Porritt, "is the official and English way of stating that they were corner men, loafers." It is also clear from the English experiments that the popular use of the term "unskilled labor" is very inaccurate.

According to the reports of the municipal engineers, sewering, road-making, the grading of parks and gardens, and even stone-breaking, gravel-digging, and street-sweeping, cannot any longer be classed as unskilled work. Strength and endurance are needed for all this class of work, and also some degree of skill. Yet in the past it has all been carelessly grouped under one comprehensive term of unskilled labor, and popularly regarded as work upon which any man may be put if nothing better or more suitable is offering for him.

All these investigations show how idle it is to imagine that any amount of work offered by government or individuals would solve the problem of the permanently unemployed. Mr. Charles Booth, who knows more about the London unemployed than any man living, has justly said: "Lack of work is not really the disease; and the mere provision of it is, therefore, useless as a cure." In a recent address the Rev. Canon Barnett, warder of Toynbee Hall, that home of Christian socialism, made the following statement: "The unemployed, calmly considered, is not an army of willing workers; but is rather a body largely made up of those half employed, those unfit for

employment, and those unwilling to be employed." It is clear that the real problem, therefore, is not to provide work, but to make men competent and willing to work. But that is a problem as old as civilization, as old as life itself. Nature's remedy is well known. Work or starve is the sharp dilemma she offers. Society's solution has hitherto been, Support yourself or go to the workhouse, or if you are diseased or crippled, go to an asylum. The new system of coddling is no improvement. It makes men both more incompetent and more unwilling to work. If the state is to interfere at all with the operation of natural law in this matter, it should be in the aim to raise incompetence into fitness, to brand unwillingness as a crime. How to do that is the real problem of the unemployed.

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Employment and Unemployment: the Latest Phase

R. C. Davison

It is one of the misfortunes of modern times that the public mind has no capacity for sustained thought, leading to purposive action in regard to the more intricate problems which face it. Yet, as Mr. Wells is never tired of pointing out, without close and continuous public attention these problems are unlikely ever to be solved in any way that will give permanent satisfaction to the community. To give a crucial instance, it is surely a most ominous thing that such a vital issue as Unemployment should have slipped from the public mind during the last two years, yet Unemployment is a disease of the modern state that is always with us. In 1908 and 1909 the disease became so virulent and so threatening to the social fabric that the public mind dwelt on it feverishly. But in 1911-1912, although it is still among us, a temporary mitigation of the evil and the distractions of other troubles have sufficed almost to exclude it from press and platform.

There are few, alas! who are inclined to see any fundamental connection between the hunger marching of 1909 and the strike fever in fifty different industries to-day. The majority are quite content to deal with each emergency as it arises,

and to treat each effect as if it were a cause. Yet the root trouble of each is the same. Our modern industrial machine is out of gear. It has grown too unwieldy. The vast structure has been built up piece by piece with efficiency, perhaps, with skill certainly, but with too little regard to human nature, individual or social.

Let it not be forgotten that at a most modest computation there are in this country in a good year 50,000 men unemployed, involving a quarter million souls, with their dependents, and in a bad year 200,000 men unemployed, involving a million souls in all. In practically all cases of distress, which seek public or private aid, Unemployment is a factor which enters in either as cause or effect of the trouble. Sometimes the want of work may be due to subjective causes. Many a man finds his slender hold on the labour market relaxes with old age or sickness, or when a single weak spot in his moral armour is laid bare. But the vast majority fall out through objective economic causes, which they are powerless to check, and against which they have no redress. Now, good economics are often liable to be bad ethics, and especially bad social ethics. Surely, this is a case in point. In any natural state of life the one inalienable right which the individual possesses was the right to labour in order to live. It was more than a right, it was a command, and the able-bodied man who, in such a state, did not work, neither tilled the soil nor hunted, suffered in a very direct way: he starved. But, with the growth of societies and states, the simple becomes complex, and human institutions begin to veil the direct operation of the natural law.

As regards the "Duty to labour," and its place in any code of social ethics, it is easy to see how social institutions have modified the simple law that if a man does not work, neither shall he eat. These are the laws of inheritance, and, since the 16th century, the customs of lending money for interest. All these practices are now explicitly allowed in modern states by the laws of property, and in other ways under certain social contracts. What has never been clearly stated is the converse of this question: not whether society will exempt a man from the duty to labour, but whether a society will guarantee to the individuals who compose it the right to labour if they desire to do so. As far as the most recent developments in this country can be trusted, it would seem to be denied that the social con-

tract can, or ought, to cover such a right. No doubt our growing sense of social solidarity assents to the claim of the right to live. The point is that in exercising that right the individual has no claim to a place in the ranks of industry if his services can possibly be dispensed with. It is true that the politicians calling themselves the Labour Party have espoused a Right-to-Work Bill, but that high-sounding measure has been justly discredited, since its proposals consisted in nothing more original than a wide extension of Relief Works and Distress Committees, similar to those set up by that universally condemned Act, the Unemployed Workmen's Act (1905). But the principle of the right to work does not stand or fall by this forlorn bantling of the Labour Party. It is in itself only a faint echo of the nobler schemes of Louis Blanc and Robert Owen, who, despairing of social welfare under competitive industry, demanded, the first, state workshops, and the second, industrial villages of co-operators. Both would have ensured to all the right to work in order to live. To the modern thinkers, however, it is becoming clear that such a state guarantee would recommend itself but little to the community were it put into effect. The state authority would need to decide to what trade a man should be allocated, and it would have to undertake his training and preparation for such a trade. Free choice could no longer be given to the individual lest certain services should be overcrowded while others equally necessary should be neglected. Naturally, this could never be done without complete state control of all the main industries of the country, while such an economy of life and labour would necessarily entail something very like forced labour for those on whom the nation's industry depended.

In general, our attitude to-day is somewhat characteristic of the British mind in that it largely admits the obligation of society towards the potential workman, but emphasises at the same time the insuperable difficulties of acting up to that obligation. Principles with us are dangerous things, which must never be allowed to obtain complete dominion over us. Of course, we have always given the partial recognition of the right to *live* through our system of Poor Laws, but there the deterrent conditions have largely confused the issue between economic Unemployment and moral delinquency. Various other expedients have been tried during the last half-century; state

assisted emigration has developed, and labour colonies have been set up. These can be acclaimed as our successes, so far as they go, but that is not far. Their remedial effect has never seriously been felt in the vast industrial organism of the country. It is in the institution of State Relief Works that our main efforts have hitherto been made, and here we have to confess to failure. Indeed, our failure would probably have been less conspicuous had the same sums of money been distributed unconditionally among the unemployed and their families. As it is, we have assisted those whom we ought not to have assisted, and those whom we ought have stayed away. We have not thereby diminished Unemployment, nor decasualised the under-employed. We have tried to make work for all without recognising that it is not so much "work" as a thousand different kinds of work that are wanted by the unemployed. The most that can be said of these economically and humanly wasteful experiments is that they have been instructive to us. Mr. Beveridge's book, "Unemployment: A Problem of Industry," showed finally that the state provision of unnecessary work was an aggravation rather than a remedy for our troubles, and it is that book which conveniently marks the turning point in expert thought on this subject, for it is since its publication that the whole problem has been approached along a new road—the road of preventive organisation.

The last three years have advanced us astonishingly far along that road. First came the Labour Exchanges, which served to prepare the ground, and to lay the basic foundations of the vast scheme. Being optional for masters and men they raised but little dust of opposition. Two hundred of these Exchanges have been set up, and in three years they have secured a considerable hold on the industry of the country even without their natural concomitant of compulsion.

The second, though not necessarily the last, instalment of the scheme, is now before us under the name of Unemployment Insurance. Sheltered under the bulk and title of Mr. Lloyd George's measure—with which, by the way, it has no sort of relation—this far-reaching scheme has been carried through. In it are enshrined new principles which are capable of effecting nothing less than a revolution in our industrial system, and yet it is curious to note that never was a measure less the outcome of public agitation and demand. It springs from the

minds of experts with a gift of scientific organisation, and with the ability to apply their theory to the chaotic practices of modern industry.

In the first place, one may almost say that the scheme is less concerned with insurance against Unemployment and the troubles of the unemployed man, than it is with the better organisation of the labour market. The latter is its primary aim, the former only a powerful means. In a short time the Labour Exchanges, greatly increased in number and status, will be utilised to some extent by almost every man and every employer in the five industries selected for the commencement of the scheme. In effect *"compulsory"* Labour Exchanges, strongly deprecated in 1908, are now to become almost an accomplished fact in certain trades—all without serious opposition and without the bandying about of that odious term, "state compulsion." The day is not distant when there will be one, and only one method of taking on labour, and that will be through a state institution provided for the purpose, just as the Postal Service was provided for its purpose. By this means, the state possesses itself of a new weapon by which it can, if it wishes, regulate an industry in almost every conceivable aspect of its operations. Primarily, no doubt, it will use it to secure regular employment for the working class who are concerned. All that makes for the uneconomic use of human labour is to be attacked, and especially irregularity of work and under-employment.

This is one line of attack, but it is reinforced by another no less powerful, namely, the employer's contribution. Under normal circumstances the employer of an insured man will every week be compelled to pay 2½d. in respect of him. This payment is not conditional, procures no direct benefit to the employer, and is in no way credited to him for future claims; it is a liability automatically incurred by the act of employment itself, and, above all, it is a weapon of the utmost potentialities in the hands of the state. Already, in the Act, it is turned to account to persuade or compel the employer to do a number of things which he otherwise would not do. From now onwards there will be substantial refunds to the master who guarantees twelve months work to his men, or who puts them on short time instead of reducing his staff. In the future this

power will most assuredly be developed. The question immediately arises, why should the employer be subjected to this tax or contribution, especially as he is to have no control over the benefits or the management of the Unemployment Fund? If the prevention of Unemployment were the real aim, why not tax him when he deprives men of work rather than when he supplies them with the means of earning a livelihood. The employer may be responsible for much irregularity of work, but that is no reason why he should be penalised for the act of employment. Hitherto we have only ventured here and there to tax the employment of unproductive labour, of luxury. Now we are deliberately setting out to penalise the employment of highly productive labour, such as carpentry and shipbuilding. Hitherto, the general idea has surely been that such productive occupations are good things in themselves, and the more men they employ the better. But now a new idea is dawning on the horizon of industry, which almost appears in the light of a paradox—at least, to the more conservative among us. We are discovering the elementary fact that it is not the employment or the act of labour which is good, but only the product. Must we, therefore, discourage masters from employing workpeople? "Yes," answers the expert boldly, "so long as a single superfluous human being is engaged in the industry." Employers in the past have been reproached for their selfishness and inhumanity in discharging workmen. From this and from other causes it is only natural that they should have regarded themselves as benefactors in proportion to the amount of labour they employed. Thus, in spite of the rigid economics of modern industry there are, undoubtedly, many thousands of workpeople whose services could be spared without any curtailing of product at the present time. Even in the 20th century sentiment and inefficiency exist in the work-a-day world, and are often reinforced by what has hitherto been the code of morality. To-day, however, a new code of morals is being set up with state sanction behind it. The employer is to be bluntly told that he is not a benefactor, but a beneficiary, and as such he must pay for his privileges. Truly, a small charge of 2½d. per week may not be sufficient to bring about a revolution, although it will go far; it is the newly recognised principle that will have such potent effects, and the new attitude of the state institutions in

regard to these problems. The state might easily have gone to work in another way, if its sole aim had been the provision of money for insurance purposes. It might legitimately have taxed the whole community for a larger share of the cost, or it might have levied a charge on the employer in proportion as he found it necessary to discharge workpeople. This would have been an encouragement to him to keep on more men than his business strictly required—an encouragement which would have added pecuniary interest to the common humanity of the employer. But the new scheme deliberately sets out to shatter these lingering delusions of the last century for which we have no further use. Why should the state, in effect, bribe the employer to burden his industry with more labour than is actually necessary? The organisation of regular and efficient production is his work in life, and it is work which is vital to the well-being of society, but it is promoted by the most economical rather than the most prodigal employment of human labour. In the past the employer has often complained to the social reformer that he is a business man, and that the state has no right to ask him to play the grandmother to the working classes. It may be doubted whether he was quite the economic business machine which he thought himself. He had his own inefficiencies, prejudices, irregularities, which not only harmed society, but diminished his profits, and he allowed the most wasteful fluctuations of trade to sweep over the industrial world to his own and the community's detriment. However that may be, the state in its changed attitude has decided to take the employer at his word, and its first act is to point out to him that he confers no sort of benefit on the working classes by providing them with employment. Indeed, if there is any question of benefit conferred it is the other way round.

What are the modern conditions of work in a coal mine, on a pot bank, or for that matter on a building scaffold or in a shipyard that makes the lot of the labourer such an enviable one? Mediæval conditions of industry may have been another matter, but the days of the artist craftsman and of the unspecialised artisan are no longer. It is the product, not the labour, that is good, and the possibility that our industries, if they were thoroughly economical of human labour, might not employ all the working classes of the country is no business

of the manufacturer so long as he turns out his maximum product. Let him play his own part well, and then we shall find it easier to deal with the problems of distribution and maintenance if and when they arise. Should the regularising and minimising of the employers' demand for labour lead to the complete worklessness of a larger body of people than we have hitherto known, that will be a problem which the community must solve separately.

But first things must be taken first, and for the present our goal is clear to view. We are steadily aiming at the maximum security of employment for those whom industry needs, together with a minimum condition of life and wage below which no capable worker shall be compelled to fall. If and when the surplus of labour round each or all trades is at length clearly defined, it must then be dealt with. It may be that we shall try to check over-population by controlling the birth-rate. What is more certain is that we shall develop to an undreamt of degree the highest mobility of labour. Already, we have been reminded by Mr. J. A. Hobson that, as capital becomes more and more cosmopolitan, drifting to other lands where there are still unworked resources, so labour must follow in its wake. In a small way even now we can see the state bringing pressure to bear for this end. Is there not a clause in the Unemployment Insurance Act, which, under certain conditions, deprives a workman of unemployed benefit unless he is willing to respond to a call for his services in a distant district? Side by side with this we shall most assuredly have to shorten the length of the working day, legally or otherwise. Already, the principle is established of rewarding the employer who puts his men on short time as a method of regularising his employment. In any of these cases the first requirement is definition, definition of the essential from the inessential, definition of the real amount of human energy that is absolutely necessary to the maximum productivity of industry. It must not be implied, however, that the proposal of the modern expert is barren of ideals, or devoted to the machinery of organisation for its own sake. He can justly say that he is taking the first of, perhaps, many future steps to reduce the intolerable burden of labour, both in extensity and intensity, that he aims at setting men free during an ever increasing portion of their time for

the pursuit of other, and we will hope, of higher ends in life. He may even find himself approaching by another gate the same Utopian city which is ever being sought by the visionary socialist who foretells the day when we shall have, not an eight, but a four hours working day, and a proletariat which will devote its leisure to reading the poets and painting sunsets. The shortening of the hours of labour has ever been a central feature of the Trade Union propositions, and it is quite on the cards that a few months will find us in the throes of a national demand for an eight hours day in several staple trades.

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